

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Analysis of Overlap, Duplication and Fragmentation  
Across Executive Branch Departments**  
Baton Rouge, Louisiana

April 2000



**Performance Audit**

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**Daniel G. Kyle, Ph.D., CPA, CFE**  
**Legislative Auditor**

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### **LEGISLATIVE AUDITOR**

**Daniel G. Kyle, Ph.D., CPA, CFE**

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**April 2000**



**Performance Audit  
Office of the Legislative Auditor  
State of Louisiana**

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OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

April 3, 2000

The Honorable John J. Hainkel, Jr.,  
President of the Senate  
The Honorable Charles W. DeWitt, Jr.,  
Speaker of the House of Representatives

Dear Senator Hainkel and Representative DeWitt:

This report gives the results of our performance audit titled *Analysis of Overlap, Duplication and Fragmentation Across Executive Branch Departments*. It is the culmination of our work required by Act 1100 of 1995. This audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

This performance audit report contains our findings, conclusions, and recommendations. Appendix D contains the responses of many of the departments that chose to provide a response. We have also identified several matters for legislative consideration. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DGK/dl

[ROLLUP]



# Office of Legislative Auditor

## Executive Summary

### Performance Audit

### Analysis of Overlap, Duplication and Fragmentation Across Executive Branch Departments

#### AUDIT INITIATION AND OBJECTIVES

The Office of the Legislative Auditor conducted this performance audit of the executive branch of state government in response to certain requirements of Act 1100 of 1995. This act amended the state audit law by adding Louisiana Revised Statute (R.S.) 24:522, which formally created the Louisiana Performance Audit Program. It directed the Office of the Legislative Auditor to examine several matters relating to programs and activities of state agencies. The Legislative Audit Advisory Council originally approved this audit on March 12, 1998. However, because of other legislative demands, the audit was not completed at that time, and the council re-approved it on August 26, 1999.

This report addresses the following two objectives:

- ◆ Identify overlap, fragmentation, and duplication among programs, functions, and activities across departments within the executive branch of state government.
- ◆ Determine the associated costs if overlap, fragmentation or duplication exists.

#### Report Synopsis

Overall, we identified 13 areas of overlap, duplication or fragmentation of services. The areas were reviewed across multiple state departments and other state entities. We found that in each area there was potential for better coordination of services and potential cost savings for taxpayers.

Specifically, there were ten areas identified with overlap of services, funding or functions. These areas include workforce preparation programs, gaming regulation, teen pregnancy prevention programs, and commercial vehicle inspections. There were two areas identified with fragmentation in administration or regulation functions such as funding battered women's shelters and conducting administrative hearings.

In many cases, quantifying the potential savings was not possible because costs were not available in such a way as to obtain a specific dollar amount.

## **Chapter 2: Coordination of Workforce Preparation Programs**

Some workforce development efforts in Louisiana overlap. For example, job training for the disabled is handled by multiple agencies, leading to increased costs and administrative inefficiency. Each agency administers its programs separately. In addition, the program activities are the same across many of the agencies, leading to overlap of services in job training programs in the state.

We identified three specific areas within workforce preparation where overlap is occurring. First, the Department of Social Services and the Department of Labor both prepare welfare recipients for the workforce, although at different times. Although services are provided at different stages by each department, both provide job training, placement, and support services (e.g., child care, transportation, tools, uniforms) to welfare recipients.

Second, the Department of Social Services and the Department of Health and Hospitals both provide evaluation, job training, and supported employment to disabled citizens. We found that the Governor's Office of Disability Affairs is currently working on a strategic plan to identify issues and to coordinate agencies involved with providing services to the disabled.

Third, the Department of Labor and the Department of Economic Development pay state technical colleges to provide customized training programs for businesses. Both departments award funds for the same purpose because state law authorizes them to do so. However, according to the departments, the grants are awarded to businesses that have been in the state for different time periods. Grants for fiscal year ended June 30, 1999, for both departments were \$12.5 million.

*(See pages 17-30 of the report.)*

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## **Recommendations**

- 2.1 Agencies serving the disabled population should review the written agreement regarding supported employment for consumers. There is a need for better coordination between the agencies to improve customer service and efficiency in spending.**

- 2.2 The Governor’s Office of Disability Affairs should review state and federal regulations on eligibility requirements for service to the disabled, especially regarding age. More uniform requirements could help minimize gaps in services for the disabled.**

---

## **Matters for Legislative Consideration**

- 2.1 The legislature may wish to consider establishing a single point of entry for disability services as a whole to facilitate providing appropriate services to the disabled population. The Louisiana Workforce Commission and the Governor’s Office for Disability Affairs may be a starting point for such a service in terms of application, referrals and providing information to the public.**
- 2.2 The legislature may wish to consider consolidating the functions of Social Services’ Find Work and Labor’s Welfare-to-Work. Consolidation could improve efficiency and lower administrative costs in addition to providing continuous, uninterrupted service as welfare recipients move to the workplace. Although both programs are federally authorized, the legislature may have some discretion to establish one administering agency.**
- 2.3 The legislature may wish to consider consolidating Department of Labor’s Incumbent Worker Training Program and Department of Economic Development’s Workforce Training and Development Program. This action would lower administrative and monitoring costs, improve efficiency, and ensure that businesses can only receive job training grants from one source.**

## **Chapter 3: Youth Drug Abuse Prevention Programs**

In Louisiana, youth drug abuse prevention programs are supported by both state general funds and federal funds, which were approximately \$19.5 million in Fiscal Year Ended (FYE) June 30, 1999. At least four state agencies provide funds for these programs. These agencies are:

- Department of Education
- Governor’s Office of Safe and Drug Free Schools and Communities
- Louisiana Commission on Law Enforcement and Administration of Criminal Justice (within Office of the Governor)
- Department of Health and Hospitals

The Louisiana Commission on Law Enforcement and the Administration of Criminal Justice funds programs with state dollars and the remaining three agencies pass along federal funds to local programs.

Our audit found that there is no overall coordination or oversight of these expenditures for youth drug abuse prevention programs. As a result, state agency funding sources are fragmented. In addition, local programs provide overlapping services. For example, Drug Abuse Resistance Education (DARE) programs receive money from the Commission (state funds) as well as the Governor's Office of Safe and Drug Free Schools and Communities. Another example is that community-based programs receive money from the Department of Health and Hospitals, Office of Addictive Disorders (federal substance abuse grant) and the Governor's Office of Safe and Drug Free Schools. According to Department of Education officials, school-aged children can participate in DARE and may also participate in community-based programs.

In addition, most of the state agencies that administer funds for youth drug abuse prevention programs take between 5% and 9% for administrative costs from the funding of the programs. However, the Louisiana Commission on Law Enforcement reported that in FYE June 30, 1999, it spent \$118,000 to administer the DARE program, which is 2.7% of the total funds (\$4.3 million) that it expended.

Furthermore, we found some duplication of efforts in conducting surveys on drugs and violence in the schools. At least three agencies are conducting these types of surveys:

- Department of Education
- Department of Health and Hospitals, Office of Addictive Disorders
- Attorney General's Office (former authority over Drug Policy Board)

*(See pages 31-38 of the report.)*

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## Recommendations

- 3.1 The Governor's Office of Safe and Drug Free Schools and Communities should work with the Department of Health and Hospitals and the Commission on Law Enforcement to ensure that they fund programs that complement one another rather than overlap.**
- 3.2 Once the Governor's Drug Policy Board is fully functional, it should conduct the surveys currently done by three separate agencies to increase efficiency and eliminate the duplication of efforts.**

## Chapter 4: Teen Pregnancy Prevention Programs

Both the Governor's Office of Women's Services and the Department of Social Services, Office of Family Support contract for teen pregnancy prevention programs in the New Orleans area. However, other parts of the state are not currently being served by these two agencies. We found that Women's Services and Social Services do not communicate regarding ongoing

coordination of services and monitoring of funds. Consequently, this lack of coordination between Women's Services and Social Services in establishing contracts and fiscal monitoring has led to overlap in funding for some programs. Furthermore, in FYE June 30, 1999, the state spent approximately \$3.6 million in state and federal dollars for teen pregnancy prevention programs, which lacked adequate coordination and monitoring. We found the state could realize about \$40,000 in savings by consolidating the two funding streams.

*(See pages 39-44 of the report.)*

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## **Recommendations**

- 4.1 The Department of Social Services and Office of Women's Services should require all contracted programs to list all funding sources on RFPs. Both departments should coordinate their funding efforts.**
- 4.2 The Office of Women's Services and Department of Social Services should expand their programs to include other areas of the state and provide more equitable service to the residents of Louisiana.**

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## **Matter for Legislative Consideration**

- 4.1 The legislature may wish to consider consolidating the funding for teen pregnancy prevention programs into one department.**

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## **Chapter 5: Battered Women's Shelters**

At least three state agencies fund battered women's shelters. These agencies are:

1. Governor's Office of Women's Services
2. Department of Social Services, Office of Community Services
3. Louisiana Commission on Law Enforcement and Administration of Criminal Justice (within Office of the Governor)

These agencies funnel federal grant monies to local programs through contracts and grants. These three agencies spent approximately \$4.7 million for the shelters in FYE June 30, 1999. We found that the funding sources' administration appears fragmented across the three agencies. This situation leads to no single entity being held accountable for funding these programs and increased administrative costs.

*(See pages 45-48 of the report.)*

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## **Matter for Legislative Consideration**

- 5.1 The legislature may wish to consider establishing a single agency to fund and monitor battered women's shelters.**

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## **Chapter 6: Administrative Hearings**

Many state entities (departments and many boards and commissions) conduct administrative hearings to resolve disputes between themselves and individuals. State law authorizes the Division of Administrative Law to conduct the bulk of hearings for most state departments. However, state law exempts many state entities from turning over cases to the Division. In addition, some state entities continue to adjudicate their own cases because they are misinterpreting state and/or federal laws. While state law created the Division as a mechanism to consolidate administrative hearings from various agencies under one body, the intent of the law may be undermined by the many exemptions it allows. As a result, the state may not be realizing as great a savings as was intended when the legislature created the Division.

*(See pages 49-52 of the report.)*

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## **Matters for Legislative Consideration**

- 6.1 To eliminate any conflict with federal law, the legislature may wish to consider clarifying R.S. 49:992, which exempts some departments from turning over their administrative hearings to the Division of Administrative Law. This clarification should require that exempted departments obtain documentary evidence from their federal oversight agency that an external body could not conduct its administrative hearings.**
- 6.2 The legislature may wish to consider amending R.S. 49:992 to remove some of the exemptions it allows. This would result in greater economy of scale and greater independence by having the administrative hearing process centralized.**

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## **Chapter 7: Supplemental Pay to Local Public Safety Personnel**

The departments that issue supplemental compensation to local public safety personnel perform overlapping functions. The Department of the Treasury and the Department of Public Safety both handle supplemental compensation, but to different groups of local public safety personnel.

We also found that the state's oversight of supplemental pay to deputy sheriffs is restricted because of legislation that authorizes the Department of the Treasury to issue lump-sum supplemental payments to local sheriffs instead of individual payments being issued directly

from the state to deputies. All other local public safety personnel receive supplemental payments directly from the Department of Public Safety, Public Safety Services.

Furthermore, neither the Department of the Treasury nor the Department of Public Safety requires parishes and municipalities to include the job title/assignment of eligible employees on supplemental pay documentation. Job title and assignment are among the determining factors in establishing supplemental pay eligibility.

*(See pages 53-58 of the report.)*

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## **Recommendation**

- 7.1 The Department of the Treasury and the Department of Public Safety should implement policies requiring that parishes and municipalities include current job title/assignment on supplemental pay documentation. This new policy would help ensure that state dollars are being given to the proper personnel.**

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## **Matters for Legislative Consideration**

- 7.1 The legislature may wish to consider transferring supplemental pay for deputy sheriffs from the Department of the Treasury to the Department of Public Safety.**
- 7.2 The legislature may wish to consider authorizing individual supplemental payments to deputy sheriffs.**

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## **Chapter 8: Criminal Investigations**

The Department of Public Safety's Office of State Police and the Attorney General's Office are both legislatively authorized to conduct criminal investigations at the state level. This situation sometimes leads to duplication of effort. We found that there is no specialization in the types of investigations each department conducts. There is also no formal coordination or communication between the two investigative bodies. As a result, the state may be spending more than is necessary to provide these services.

*(See pages 59-64 of the report.)*

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## **Recommendation**

- 8.1 Both the Attorney General's Office and Department of Public Safety, Office of State Police should work together to develop a formal, structured system of communication. This system should strive to eliminate duplication of effort and improve efficiency and effectiveness of criminal investigations.**

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## Matter for Legislative Consideration

- 8.1 The legislature may wish to consider assigning exclusive authority to the Office of State Police and the Attorney General’s Office to investigate certain types of offenses. For example, offenses can be divided into violent and non-violent categories and then assigned to each department. However, any legislation should not preclude the two state departments from pooling resources where necessary.**

## Chapter 9: Gaming Regulation

In Louisiana, at least four state entities are involved in regulating the gaming industry. These entities are:

- Louisiana Lottery Corporation
- Louisiana Racing Commission
- Office of Charitable Gaming
- Louisiana Gaming Control Board

The Office of Attorney General and the Department of Public Safety, Office of State Police provide support services such as legal representation and investigative services to these regulatory bodies. The overlapping functions create increased administrative and operational costs. In addition, efficiency is lowered, and legislative oversight must be spread across all of these bodies rather than concentrating on one.

We also found that the state can incur a maximum of \$365,000 annually just for salaries and per diem expenses for members of the three gaming regulatory boards. This amount excludes staffing and facilities.

*(See pages 65-72 of the report.)*

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## Matter for Legislative Consideration

- 9.1. The legislature may wish to consider consolidating gaming regulation in the state. This action would reduce costs and improve overall efficiency and accountability of oversight of the state’s gaming industry. Consolidation of Louisiana’s gaming regulation function would also ease the burden of licensing on the various entities and on those seeking gaming licenses from the state. Any changes to the Louisiana Lottery Corporation may require a constitutional amendment.**

## Chapter 10: Commercial Vehicle Inspections

Four state entities conduct inspections of commercial vehicles--two of these entities are in the same department. These entities perform overlapping functions related to inspecting motor carrier vehicles:

- Department of Public Safety, Office of State Police
- Department of Public Safety
- Public Service Commission

Most inspections take place in the same locations and involve review of many of the same documents. If these inspection functions were consolidated, the costs associated with staffing, vehicles, and other equipment could be reduced.

In addition, the Towing and Recovery Unit within Office of State Police and the Public Service Commission inspect tow trucks and regulate the towing and recovery industry. Both entities register vehicles, collect fees, conduct investigations in response to resident complaints, and perform facility inspections. The dual inspection and regulatory functions of these two entities lead to increased administrative and operational costs to the state.

All four entities mentioned above are legislatively authorized to conduct their respective inspection activities at a combined annual cost of nearly \$5.7 million.

*(See pages 73-82 of the report.)*

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### Matters for Legislative Consideration

- 10.1 The legislature may wish to consider consolidating the inspection functions of the Public Service Commission and the Department of Public Safety's Motor Carrier Unit and Weights and Standards Mobile Police Force into one department. The three entities conduct many of the same functions, which creates unnecessary administrative and operational costs.**
- 10.2 The legislature may wish to consider consolidating the regulatory and enforcement functions of the towing and recovery industry into either the Public Service Commission or the Department of Public Safety.**

## **Chapter 11: Hazardous Material Handling**

The Department of Public Safety's Right-to-Know Unit and the Department of Environmental Quality's Office of Environmental Sciences both collect data on hazardous materials facilities. The data are gathered from many of the same facilities, leading to overlapping activities. In addition, both departments have developed and implemented computer systems that collect and store data related to the location of hazardous materials in the state. The departments did not coordinate these efforts to attempt to minimize duplication or costs to the state. As a result, opportunities to streamline functions; ensure compatibility between the databases; and save on costs were lost.

We also found that both the Department of Public Safety, Hazardous Material Handling Unit and the Department of Environmental Quality, Office of Environmental Compliance inspect facilities where hazardous materials are manufactured and stored. This situation also leads to overlapping functions that are more costly to the state than necessary.

*(See pages 83-90 of the report.)*

### **Recommendation**

**11.1 The Department of Public Safety's Right-to-Know Unit and the Department of Environmental Quality should work together to combine their data collection functions through computer interfacing. For example, Environmental Quality's Office of Environmental Services could collect the inventory data needed by the Right-to-Know Unit during the permitting process. This action would eliminate the need for the Right-to-Know Unit to collect and input inventory data from facilities each year.**

### **Matters for Legislative Consideration**

- 11.1 The legislature may wish to consider whether it wants to continue having two departments to collect data on hazardous materials. The monies already spent are lost; however, there will be ongoing system maintenance and operating costs.**
- 11.2 The legislature may wish to consider consolidating the facilities inspection functions of the Department of Public Safety's Hazardous Materials Unit and Department of Environmental Quality's Office of Environmental Compliance into one department as both inspect facilities that handle hazardous materials.**

## Chapter 12: Marketing Certain Louisiana Products

Four state entities perform overlapping marketing functions to promote many of the same Louisiana-grown products. These entities are:

- Department of Agriculture and Forestry, Office of Marketing
- Department of Wildlife and Fisheries, Louisiana Seafood Promotion and Marketing Board
- Department of Wildlife and Fisheries, Louisiana Fur and Alligator Advisory Council
- Department of Economic Development, Office of Commerce and Industry

Approximately \$2.9 million was spent in FYE June 30, 1999, among the four state entities to market various Louisiana-grown products domestically and abroad. State resources could be put to better use by eliminating or consolidating some of the overlapping functions, thereby decreasing administrative and operational costs.

*(See pages 91-98 of the report.)*

### Recommendation

**12.1 The Louisiana Economic Development Council (authors of Vision 2020, Louisiana's economic development plan) may want to consider coordinating the marketing functions of (1) the Office of Commerce and Industry within Economic Development, (2) the Office of Marketing within the Department of Agriculture and Forestry, (3) the Louisiana Seafood Promotion and Marketing Board, and (4) the Fur and Alligator Advisory Council.**

### Matters for Legislative Consideration

**12.1 The legislature may wish to consider consolidating the various promotion boards under one department. This change would reduce administrative costs and allow resources to be used more efficiently. For instance, advertising and promotion dollars could be combined to allow for more concentrated and effective marketing efforts.**

**12.2 The legislature may wish to consider establishing a marketing function within a state department that handles both domestic and international marketing efforts. It could then abolish other efforts and require all promotion of Louisiana products to be conducted through that one entity, which the legislature can hold accountable.**

## Chapter 13: Recreational Areas

At least four state agencies are managing recreational areas in Louisiana. These four state agencies are:

- Department of Transportation and Development, Sabine River Authority
- Department of Agriculture and Forestry, Office of Forestry
- Department of Culture, Recreation and Tourism, Office of State Parks
- Department of Wildlife and Fisheries, Office of Wildlife

State law gives authority to all of the agencies to provide recreational services to the public. We found that there is no overall management plan for these recreational sites. In FYE June 30, 1999, the agencies spent approximately \$20.3 million to provide these different recreational areas for public use.

*(See pages 99-104 of the report.)*

### Matter for Legislative Consideration

- 13.1 Should the legislature decide to require a statewide strategic plan, the provision of recreational services in Louisiana should be an area that is targeted for consolidation.**

## Chapter 14: State Museums

Two different state departments, the Department of Culture, Recreation and Tourism and the Department of State, manage museums for the state. We found both departments have similar museum functions that are overlapping; however, state law authorizes the creation of both programs. In FYE June 30, 1999, the state spent \$5.9 million on these two museum functions. If the functions were consolidated, the state could realize some savings in administrative costs.

*(See pages 105-108 of the report.)*

### Matter for Legislative Consideration

- 14.1 The legislature may wish to consider consolidating the management and supervision of the state's museums. If the museums were placed under the Department of Culture, Recreation and Tourism, the accreditation mandate will have to be revised also.**



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# Chapter 1: Introduction

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## **Audit Initiation and Objectives**

The Office of the Legislative Auditor conducted this performance audit of the executive branch of state government in response to certain requirements of Act 1100 of 1995. This act amended the state audit law by adding Louisiana Revised Statute (R.S.) 24:522, which formally created the Louisiana Performance Audit Program. It directed the Office of the Legislative Auditor to examine several matters relating to programs and activities of state agencies. The Legislative Audit Advisory Council originally approved this audit on March 12, 1998. However, because of other legislative demands, the audit was not completed at that time, and the council re-approved it on August 26, 1999.

This report addresses the following two objectives:

- ◆ Identify overlap, fragmentation, and duplication among programs, functions, and activities across departments within the executive branch of state government.
- ◆ Determine the associated costs if overlap, fragmentation or duplication exists.

---

## **Report Conclusions**

**Overall, we identified 13 areas for review regarding overlap, duplication or fragmentation of services. The areas were reviewed across multiple state departments and agencies. We found that in each area there was potential for better coordination of services or potential cost savings for taxpayers.**

**Specifically, there were ten areas identified with overlap of services, funding or functions. These included such areas as workforce preparation programs, gaming regulation, teen pregnancy prevention programs, and commercial vehicle inspections. There were two areas identified with fragmentation in administration or regulation functions such as funding for battered women's shelters and handling administrative hearings. In the area of youth drug abuse prevention programs, we identified overlapping services as well as fragmentation of funding sources. We also found there was a duplication of effort in the area of criminal investigations.**

**Finally, the overlapping areas were found to be in need of better coordination or a possible consolidation of a particular function within a single state department. Fragmented administration between departments leads to inefficiency and higher administrative costs. This condition can often be resolved by having a single agency to be held accountable for resources. Duplicative efforts can be eliminated therefore realizing cost savings for the state. However, many of these changes will require changes in legislation and that some staff, equipment, and other items be eliminated.**

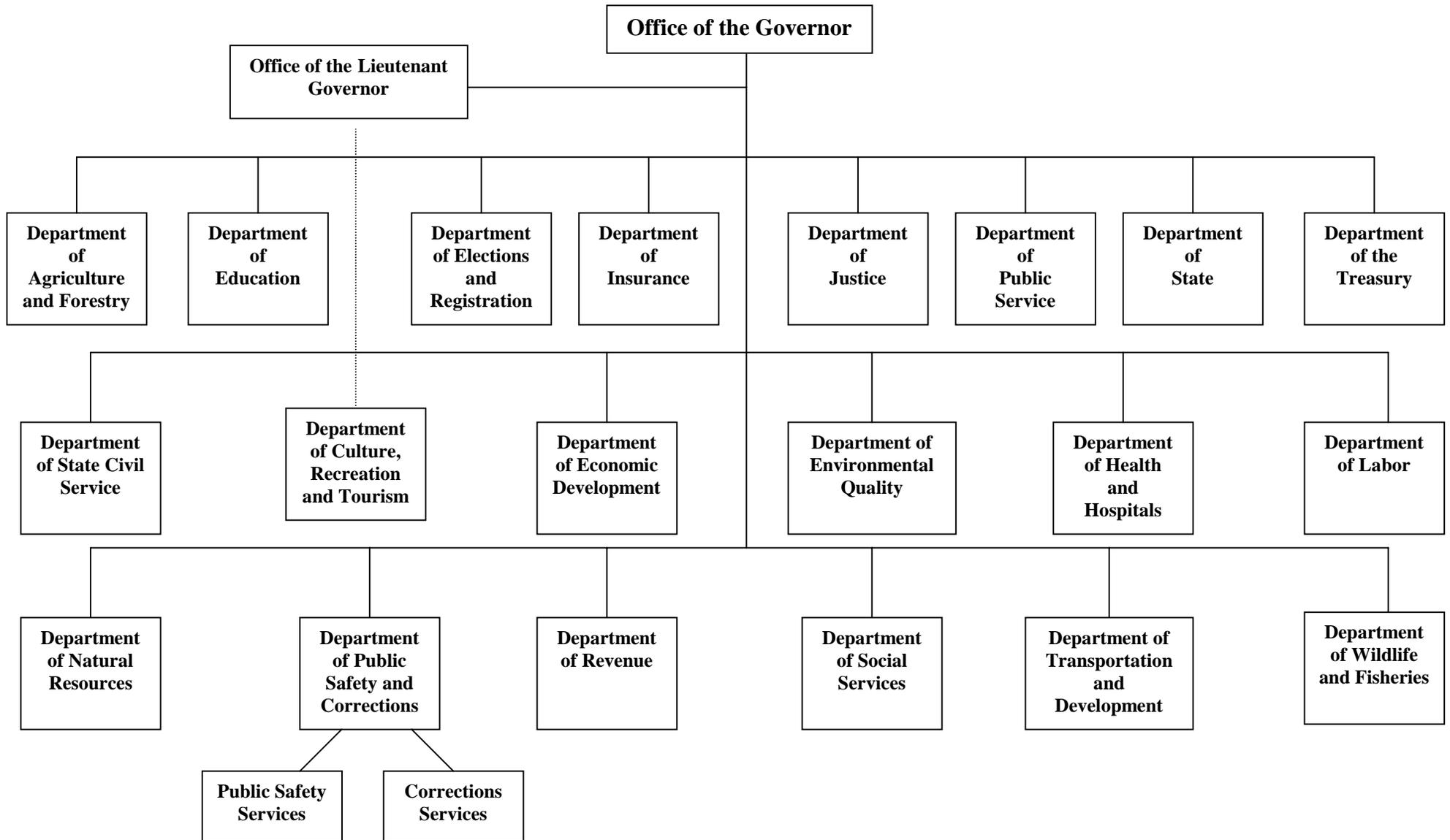
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## **Background**

The Louisiana Constitution, which became effective on December 31, 1974, mandated the legislature to organize the executive branch into no more than 20 departments, with the exception of the Governor's Office. Also according to the state constitution, "the executive branch shall consist of the governor, secretary of state, attorney general, treasurer, commissioner of insurance, superintendent of education, commissioner of elections, and all other executive offices, agencies, and instrumentalities of the state." Exhibit 1-1 on the following page shows the organization of the Executive Branch of state government in Louisiana.

According to R.S. 36:2(C), the stated purpose of organizing the executive branch into 20 departments was "to create a structure for the executive branch of state government which is responsive to the needs of the people of this state . . . to promote economy and efficiency in the operation and management of state government . . . and to eliminate to the fullest practicable extent duplication of effort within the executive branch of state government . . ."

**Exhibit 1-1**  
**Organization of the Executive Branch of State Government in Louisiana**



R.S. 24:522, in part, directs the legislative auditor to evaluate the programs, policies, services, and activities administered by the agencies of state government and identify overlapping functions. We addressed this and other requirements of R.S. 24:522 in three phases:

- The first phase culminated with the release of a report following up on the status of all recommendations in performance audits and staff studies issued between July 1992 and July 1995.
- The second phase resulted in the release of 22 reports for the 20 executive branch agencies. A report was issued for each executive branch department. In each report, we examined the performance data for that department as reported in the 1997-98 executive budget. In addition, we identified any program, function, or activity within a department that appeared to be overlapping, duplicative or outmoded.
- The third phase, this report, is intended to serve as a culmination of the work from the second phase. In continuing this work, the scope of this report focused primarily on the executive branch of state government as a whole by identifying similar programs, functions, and activities across departments that overlap or duplicate one another.

This third and final phase seeks to identify areas in state government where efficiencies and cost savings can be realized and to help improve program accountability.

The legislature has initiated many efforts to improve accountability in state government, including adding objectives and performance indicators to the appropriations act. In 1987, the legislature required the state to adopt a program budgeting system beginning with fiscal year 1988-89. *Manageware*, a publication by the Office of Planning and Budget, defines a program as:

a grouping of activities that results in the accomplishment of a clearly defined objective or set of clearly defined objectives; it is a combination of inputs (resources) producing outputs (services) designed to achieve desired outcomes (objectives). Programs carry out policies.

As we examined the structure and function of the 20 departments, we found and are reporting on many instances where a policy or legal mandate was carried by two or more state departments or programs.

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### **Louisiana Lacks Overall Statewide Strategic Planning Efforts**

Louisiana currently does not have an overall statewide strategic plan that provides comprehensive coverage to all service areas (e.g., education, economic development, and quality of life). Currently, the state has two statewide strategic plans, *Vision 2020* and the *Louisiana Workforce Development Plan*. *Vision 2020* addresses economic development, whereas *Workforce Development* addresses the coordination of workforce development efforts.

Developing a statewide strategic plan to cover all government service areas could help legislators and department officials improve government efficiency. The process of developing a statewide strategic plan would identify any functions that are currently being performed by two or more departments at the same time. It could also show areas where functions could be consolidated or eliminated.

In our research, we examined what other states are doing in the area of statewide strategic planning. A report from the 1999 edition of *Governing* magazine evaluated the 50 U.S. states in five areas of management. The report also identified 15 states that are involved in statewide strategic planning. We contacted representatives from each of the 15 states and determined that 10 states were actually conducting statewide strategic planning. Three of the 10 states (Florida, Georgia, and Oregon) are required by state law to conduct statewide strategic planning. In addition, according to interviews with representatives from nine of the 10 states, this type of planning can result in improved government efficiency. Specifically, according to a Georgia official, statewide strategic planning holds the state and its departments more accountable.

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### **Scope and Methodology**

This audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. All performance audits are conducted in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. We completed the fieldwork for this audit in January 2000.

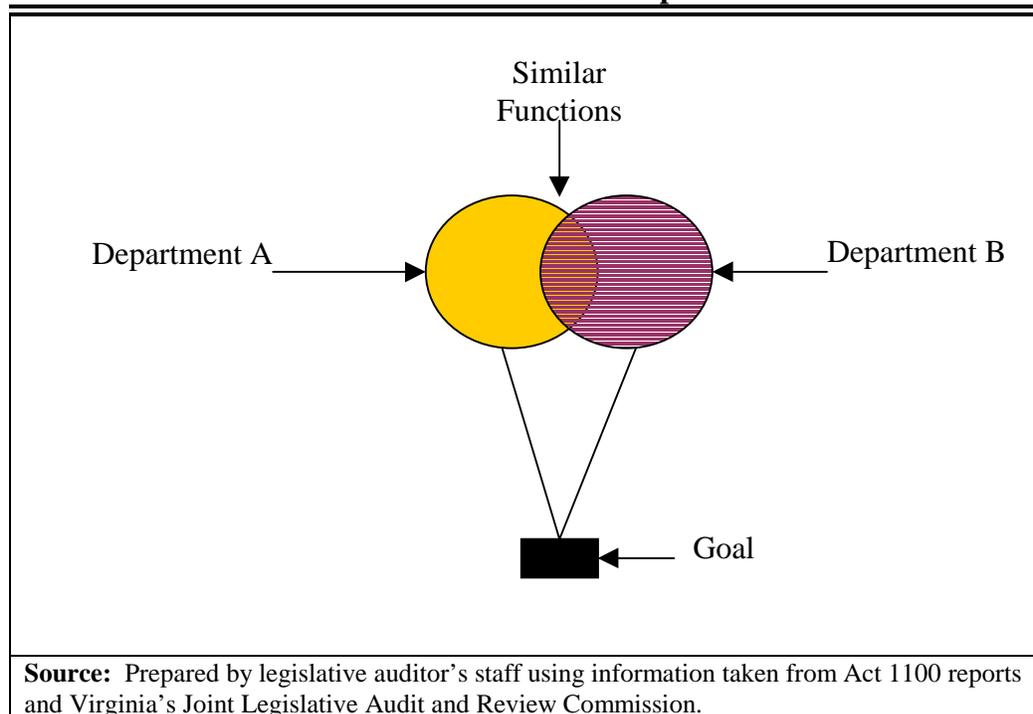
**Definitions of Overlapping, Duplicative or Fragmented Areas.** This audit included a review and identification of programs, functions or activities across executive branch departments that are overlapping, duplicative or fragmented. Where possible, the associated costs of those overlapping, duplicative or fragmented services were identified. We defined these terms as follows:

- **Overlapping:** instances where two or more agencies/departments appear to perform *partially the same* activities leading to the *accomplishment of the same goal*. Exhibit 1-2 below illustrates overlap. The circles represent different state department programs. The cross section of the circles represent similar activities carried out by different departments. The square represents the goal toward which both departments are working.

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#### Exhibit 1-2

#### Illustration of Overlap

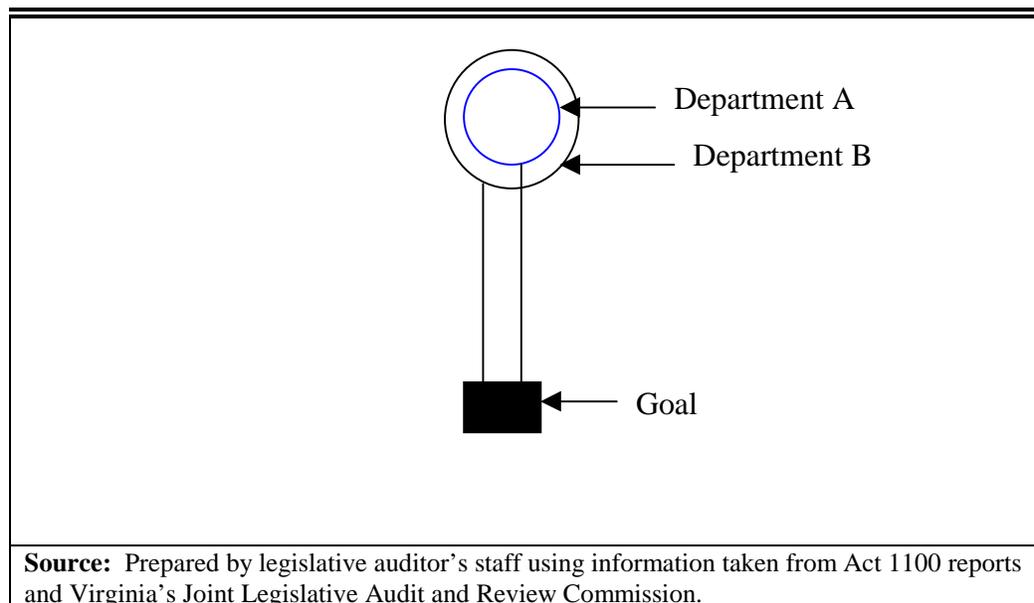


- **Duplicative:** instances where two or more agencies/departments appear to conduct *identical activities* leading to the *accomplishment of the same goal*. Exhibit 1-3 below illustrates duplication. The small circle represents the functions of Department A, and the large circle represents functions of Department B (exact same activities). The square represents the goal. This schematic shows there is little difference between the two functions.

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### Exhibit 1-3

#### Illustration of Duplication

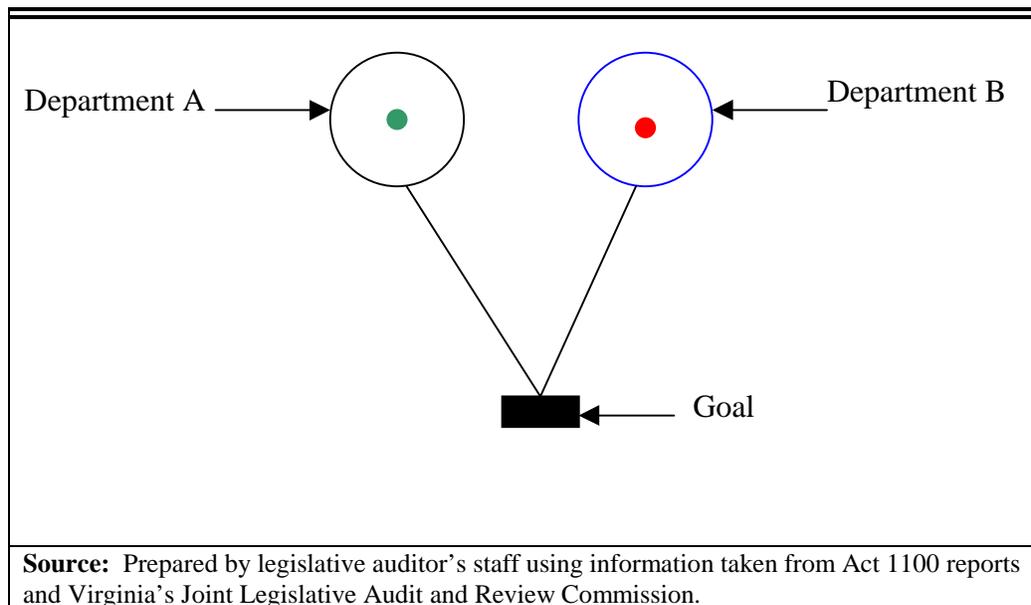


- Fragmented:** instances where two or more agencies/departments appear to conduct *different activities* leading to the *accomplishment of the same goal*. Exhibit 1-4 below illustrates fragmentation. The dots within the circles represent different programs within the two departments. The square represents the goal.

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### Exhibit 1-4

#### Illustration of Fragmentation



To familiarize ourselves with the structure of the executive branch of state government, we obtained and reviewed the following information:

- ◆ *State and Local Government in Louisiana: An Overview*, December 1995
- ◆ *Manageware* published by the Office of Planning and Budget (1996 edition)
- ◆ Executive budget information, including the 1999-2000 Executive Budget, strategic plans and any related information
- ◆ Fiscal Year 1999-2000 Appropriations Act

- ◆ Applicable state and federal laws, rules and regulations
- ◆ Prior Act 1100 reports issued by the Office of the Legislative Auditor, Performance Audit Division.

In addition, the audit also examined the extent of the state's strategic planning efforts. We researched statewide strategic planning information on the Internet and contacted other states that we found were conducting this type of strategic planning to obtain a copy of their plans. We interviewed Office of Planning and Budget officials to obtain information on various issues related to statewide strategic planning in Louisiana. We reviewed the Louisiana Revised Statutes to determine whether Louisiana is mandated to conduct statewide strategic planning, and we interviewed the entities in the state that were performing this type of planning.

Finally, to address the audit objectives, we reviewed and analyzed each department's 1999-2000 executive budget performance data and statutory information. To identify overlapping, fragmented or duplicative government functions, we compared all of the missions and goals among all of the executive branch departments. We established seven categories of government services into which all of the mission and goals fell. Within these categories, we then grouped together those missions and goals that were similar or related. For those missions and goals that were similar, we did further research to determine whether overlap, duplication or fragmentation existed.

We interviewed and obtained information from department officials about the overlapping, fragmented or duplicative programs that we identified. When necessary we observed agency activities where we suspected overlapping, fragmented, or duplicative functions existed, and researched the Internet for additional program information. Where possible we estimated the cost of overlapping or duplicative functions using FYE June 30, 1999, expenditure data. These data were unaudited figures.

Our work was limited to the 20 executive branch departments and the Office of the Governor. Related boards, commissions, and like entities were included in our analysis if they came to our attention.

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**Prior Audits That  
Addressed  
Similar Issues**

This performance audit report does not address certain areas that we have audited and reported on in the past. Below are brief synopses of performance audits that we have previously issued that identified overlap, duplication, and/or fragmentation among state entities.

**Consolidation of the Administration of Louisiana's State Retirement Systems (*Performance audit report issued January 3, 1994.*)**

In that audit report, we found that the four state retirement systems have the same mission and provide basically the same types of services to their members. They do not coordinate their daily administrative functions with each other. In addition, three of the four retirement systems have similar organizational structures and even share the same building. We concluded that consolidating the administrative functions of the four state retirement systems would reduce management, staff, and operating expenses. At that time, we estimated savings of \$1.5 million to \$1.8 million in salaries and related benefits alone from consolidating the administration of these four retirement systems. We also concluded that consolidating the investment management of the four state retirement systems could reduce investment-related expenses.

**Department of State Civil Service (*Sunset Review issued November 1996.*)**

In 1996, we found that Louisiana has three separate state civil service systems within the Department of State Civil Service:

- (1) **State Civil Service** for classified state employees;
- (2) **State Police Commission** for classified state police service; and
- (3) **State Examiner, Municipal Fire and Police Civil Service** for local firefighters and police officers of all municipalities having a population greater than 7,000 and regularly paid fire and municipal police departments. This system also covers all parishes and fire protection districts operating a regularly paid fire department.

Here, we found that the state constitution gives the State Civil Service Commission and the State Police Commission identical powers to adopt rules and take actions necessary to regulate certain classes of public employees. Both systems perform basically the same functions, only for different populations. Therefore, we concluded that these functions were duplicative.

In addition, that report pointed out that personnel management in Louisiana is spread out throughout state government. In other words, there is no overall department for human resources management; thus, the personnel management function is fragmented. We found that, at that time, the Department of the Treasury handled employee benefits. Since then, the State Employees Group Benefits Program has been moved to the Division of Administration. We also found that the Division of Administration handles employee training, workers' compensation and safety training and that the Department of Health and Hospitals handles employee assistance programs.

**Department of State and Department of Elections and Registration (*Sunset Reviews issued July 1996.*)**

In those reports, we found that some functions between these two departments were duplicative and other functions were fragmented. First, both departments bill and obtain reimbursement from local governmental entities for election expenses that are allocated to these local bodies by both departments. The Department of Elections and Registration pays all election expenses related to voting machines and polling places. It then obtains reimbursement from the local entities. The Department of State does the same thing, except that it bills and obtains reimbursement for the costs of ballots and other election materials. We concluded that having two departments recover the elections costs from local governments is inefficient because duplicate billing and associated costs occur for every election with local issues on the ballot.

Second, both departments play a vital role in administering the state's election function. However, the functions are fragmented because the Department of Elections and Registration handles voter registration and maintains the state's nearly 8,000 voting machines. In 1996, the Select Council on Revenues and Expenditures in Louisiana's Future (SECURE) estimated potential savings for consolidating these two functions to be between \$300,000 and \$500,000. These savings would come from

eliminating 10 to 15 positions. However, according to the state's constitution, consolidating these two departments would require a two-thirds vote of both houses of the legislature.

### **Areas for Further Study**

During this audit, some issues came to our attention that were either too detailed to address at this time or were outside our audit scope. We identified the following areas that require further study:

1. Coastal Conservation

- Coastal conservation/restoration projects are selected from a priority list developed from coastal users. The procedure and criteria for project selection should be evaluated further.
- Because coastal projects do not have isolated impacts, it is important that all agencies involved in coastal restoration and conservation are informed about the status of projects. We found there was no single database containing coastal restoration project information that is accessible to the pertinent agencies. Consequently, in the future, the legislature may wish to direct a study of the quality of and reporting of monitoring data on coastal conservation and restoration projects.

2. Youth Drug Abuse Prevention

- We could not review local level expenditures of youth drug abuse prevention funds. We have concerns about duplication of services at the local level that will require more detailed audit work. Furthermore, the Single Audit Report for the year ended June 30, 1998, cited the state Department of Education for inadequate controls over the Safe and Drug-Free Schools and Communities Program.

### 3. Adult Literacy

- We did not review the entities that provide adult literacy services. The state Department of Education receives funds for adult literacy services; however, it does not directly provide this service. The money it receives is given to service providers who have contracts with the department. In the future the legislature may wish to determine the effectiveness of these programs and how the department ensures that contractors are effective.

### 4. Grant Programs

- We could not verify whether all of the monies that the state awards are properly monitored and if these funds are spent for the intended purpose. We noted several state departments in this report that award monies for such purposes as teen pregnancy prevention programs, battered women's shelters, and workforce training. The legislature may wish to direct a study of all programs where state departments contract out their statutory duties.

### 5. General

- Overall, the legislature should consider the inefficiency of splitting functions across two or more departments. Specifically, the splitting of functions leads to a lack of accountability of a single state entity as well as spending more for administration of these areas than is necessary.

## Report Organization

The remainder of this report is organized as follows:

- ◆ **Chapter 2** describes workforce preparation programs in the state. This chapter reviews various state departments that administer job training programs, including vocational rehabilitation for the disabled.
- ◆ **Chapter 3** describes youth drug abuse prevention services in the state. This chapter reviews four state agencies that fund drug abuse prevention programs for youth.
- ◆ **Chapter 4** describes teen pregnancy prevention programs in the state. This chapter reviews two state agencies that administer the funding for local teen pregnancy prevention programs.
- ◆ **Chapter 5** reviews three agencies that separately administer federal grants that fund shelters for battered women.
- ◆ **Chapter 6** discusses administrative hearings conducted in the state by the Division of Administrative Law and other agencies. This chapter details our findings related to the audit objectives regarding administrative hearings.
- ◆ **Chapter 7** discusses the issue of supplemental compensation to law enforcement personnel. This chapter reviews the two state entities that administer supplemental compensation.
- ◆ **Chapter 8** discusses criminal investigations and the two state entities that conduct them.
- ◆ **Chapter 9** highlights issues related to sharing of gaming regulation by multiple state entities.
- ◆ **Chapter 10** addresses inspections of commercial vehicles conducted by multiple entities.
- ◆ **Chapter 11** reviews the functions performed by two entities involved with handling of hazardous materials.

- ◆ **Chapter 12** discusses the overlapping of four state entities that market Louisiana agriculture and aquaculture products.
- ◆ **Chapter 13** reviews four state entities that have recreational areas and discusses our findings related to the audit objective.
- ◆ **Chapter 14** describes two museum programs in the state and our finding related to the audit objectives regarding museum programs.
- ◆ **Appendix A** includes the trends of overall findings and recommendations from Act 1100 reports.
- ◆ **Appendix B** includes the executive branch departments and their missions.
- ◆ **Appendix C** is a table of issue areas and executive branch departments involved.
- ◆ **Appendix D** includes the responses of various agencies.



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# Chapter 2: Coordination of Workforce Preparation Programs

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## Chapter Conclusions

**Workforce development efforts in Louisiana overlap. For example, job training for the disabled is handled by multiple agencies, leading to increased costs and administrative inefficiency. Each agency administers its programs separately. In addition, the program activities are the same across many of the agencies, leading to overlap of services in job training programs in the state.**

**We identified three specific areas within workforce preparation where overlap is occurring. First, the Department of Social Services and the Department of Labor both prepare welfare recipients for the workforce, although at different times. Second, the Department of Social Services and the Department of Health and Hospitals both provide evaluation, job training, and supported employment to disabled residents. Third, the Department of Labor and the Department of Economic Development pays for customized training programs for businesses.**

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## Two Departments Offer Job Training Programs to Welfare Recipients

The Department of Social Services (Social Services) and the Department of Labor (Labor) both provide job training and support services to welfare recipients, (specifically FITAP recipients, Families in Need of Temporary Assistance Program), through the Find Work and Welfare-to-Work programs. Expenditures for Fiscal Year Ended (FYE) June 30, 1999, were over \$54 million in state and federal funds for the two programs combined. As a result of federal legislation, both departments have authority to provide similar assistance to welfare recipients. Consequently, service delivery to clients is affected and there is increased administrative inefficiency and increased cost to taxpayers.

**Department of Social Services.** The Office of Family Support within Social Services administers Find Work, a program authorized by the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. All welfare recipients must participate in Find Work unless they have a qualifying exemption. The program's goals are employment and self-

sufficiency. Welfare recipients are eligible for services through Find Work for a two-year period. Training and support services are offered through public and private providers.

**Department of Labor.** The Office of Workforce Development within Labor administers the Welfare-to-Work program. Welfare-to-Work is the result of a 1997 amendment to the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The amendment granted the Department of Labor authority to administer services similar to Social Services' Find Work program (i.e., job training, placement, and support services).

Welfare recipients are eligible to participate in Welfare-to-Work if they have received cash assistance for at least 30 months, or if they are within 12 months of becoming ineligible for cash assistance. In addition, these individuals must meet certain barriers to employment, which can include lack of secondary education or require substance abuse treatment. When a welfare recipient becomes eligible for Welfare-to-Work, he/she is referred to the program by a Social Services caseworker. A welfare recipient is eligible for assistance through the program for a two-year period. The two years of service with Welfare-to-Work is in addition to the service received through Social Services' Find Work. Training and support services are offered through public and private providers.

Exhibit 2-1 highlights the services and expenditures for both programs.

**Exhibit 2-1**  
**Social Services' Find Work and Labor's Welfare-to-Work:**  
**Program Services and Expenditures**  
**FYE June 30, 1999**

	<b>Services Offered</b>	<b>Length of Service</b>	<b>Clients Served</b>	<b>Service Delivery</b>	<b>Estimated Expenditures</b>	<b>Source of Funding</b>
<b>Find Work (Department of Social Services)</b>	Job training; placement; support services	2 years	All welfare recipients	Local service providers	\$45,042,949	Federal
<b>Welfare-to-Work (Department of Labor)</b>	Job training; placement; support services	2 years	Welfare recipients nearing end of cash assistance	Local service providers	\$9,027,885	Federal (2:1 state match)
<b>Total Expenditures</b>					<b>\$54,070,834</b>	
<b>Source:</b> Prepared by legislative auditor's staff with information obtained from Department of Social Services and Department of Labor officials.						

### **Both Departments Offer Similar Services to Welfare Recipients**

Based on information obtained from department officials, we determined that the program services provided by Social Services and Labor for welfare recipients are overlapping. Although services are provided at different time periods by the two departments, both provide job training, placement, and support services (e.g., child care, transportation, tools, uniforms) to welfare recipients.

In addition, we found that both programs offer adult literacy services. Social Services and Labor both contract with many of the same providers for adult literacy services for welfare recipients. However, Labor can only provide literacy services after an individual has obtained employment.

The overlap that exists with job training assistance programs to welfare recipients is the result of federal law, which allows both Social Services and Labor to offer similar services. According to information obtained from the U.S. Department of Labor's Web site, both departments are involved in helping welfare recipients because the federal government wanted to "forge a stronger partnership between the two service delivery systems

(social service agencies and workforce development agencies) to better meet the needs of the hardest-to-employ population.”

Because the administration of job training services to welfare recipients is split between two separate departments, the following problems are occurring:

- Operational inefficiency: One caseworker from each department must become familiar with the same client.
- Disruption of services: The client must access the same services from two entities during different time periods.
- Increased administrative cost: Staff persons within two entities perform administrative duties associated with the operation of the two programs (e.g., processing client applications; issuing payments to service providers; approving service providers).

### **Three Agencies Provide Employment Services for the Disabled**

We found three state agencies that provide employment services to the disabled. For the purpose of this audit, employment services include assessment/evaluation, job/skills training, and supported employment. In FYE June 30, 1999, these agencies spent at least \$86.5 million on employment services for disabled residents. In addition, there is no single point of entry for employment training services which leads to poor coordination and possibly confusion to consumers. As a result, there are overlapping services across the three agencies. We also noted some gaps in services, in some instances, among the agencies.

In Louisiana, the following three agencies provide employment services for the disabled:

1. Louisiana Rehabilitation Services within Department of Social Services (DSS)
2. Office of Mental Health within Department of Health and Hospitals (DHH)
3. Office for Citizens with Developmental Disabilities within Department of Health and Hospitals (DHH)

**Louisiana Rehabilitation Services (Rehabilitation Services).** Rehabilitation Services provides employment preparation services for all types of disabilities through the Vocational Rehabilitation Program. The basic qualification for services is that a person must have a physical or mental disability that is diagnosed by a licensed physician.

**Office of Mental Health (Mental Health).** Mental Health provides employment preparation services for the mentally ill through the Employment Services program. The office serves only mentally ill residents. Approximately 70% of all clients in the Mental Health system are considered disabled, according to officials at Mental Health. The Employment Services program provides “drop-in centers” and clubhouses, which are intended to teach social skills to the severely mentally ill.

**Office for Citizens with Developmental Disabilities (Developmental Disabilities).** Developmental Disabilities provides employment preparation programs through the Vocational/Habilitative Services Program. The office is the primary provider of services for residents with developmental disabilities. “Developmental disability” is defined as a severe chronic disability that is attributable to mental retardation, cerebral palsy, epilepsy, or autism, or any other condition other than mental illness found to be closely related to mental retardation.

In FYE June 30, 1999, the state spent at least \$86.5 million between the three agencies on vocational training services for the disabled. Louisiana Rehabilitation Services’ Vocational Rehabilitation program expenditures for FYE June 30, 1999 were \$71 million. In addition, DHH-Developmental Disabilities spent \$14.8 million on the Vocational and Habilitative Services program. Finally, DHH-Office of Mental Health spent approximately \$916,000 on the Employment Services program (including Capital Area and Jefferson Parish Human Services districts).

Exhibit 2-2 highlights the expenditures and source of funding for each program in FYE June 30, 1999.

**Exhibit 2-2**  
**Expenditures for Employment Services for the Disabled**  
**FYE June 30, 1999**

Programs	Expenditures	Source of Funding
<b>Vocational Rehabilitation</b> (Department of Social Services/Louisiana Rehabilitation Services)	\$70,848,055	Approximately 78.7 % federal dollars and 21.3% state match
<b>Vocational/Habilitative Services</b> (Department of Health and Hospitals/Office for Citizens with Developmental Disabilities)	\$14,789,740	State Funds
<b>Employment Services</b> (Department of Health and Hospitals/Office of Mental Health)	\$916,320	State and Federal Adult Employment Block Grant
<b>Total Expenditures</b>	<b>\$86,554,115</b>	
<b>Source:</b> Prepared by legislative auditor's staff using unaudited information provided by department's fiscal divisions.		

### Programs Providing Similar Services Lead to Overlap

We found that employment services for the disabled are overlapping because of agencies providing some of the same services in the different programs. Overlap occurs when two or more agencies provide partially the same activities leading to the accomplishment of the same goal.

We identified several services that were similar across all three agencies programs, including:

- Assessment/Evaluation
- Job/Skills Training
- Supported Employment

We found that the same person could receive the same service at DSS-Rehabilitation Services and either DHH-Mental Health or DHH-Developmental Disabilities. However, the agencies have different eligibility requirements and provide services at different times in a client's life. For example, DSS-Louisiana Rehabilitation Services has a written agreement with both DHH-Mental Health and DHH-Developmental Disabilities. The agreement is intended

to ensure coordination of services and allows the agencies to complement one another; however, officials agreed that there is a need for better coordination. For example, we noted that officials from DHH-Developmental Disabilities reported there was poor coordination with Louisiana Rehabilitation Services regarding referrals back and forth.

### **Different Eligibility Requirements Leads to Fragmentation of Services**

We found that each agency has different eligibility requirements for some of the same services leading to gaps or fragmentation of services. Fragmentation is defined as instances where two or more agencies provide different activities leading to the accomplishment of the same goal. In this case, the activity is qualifying a disabled person for vocational services. The following is a description of the different agency eligibility requirements:

**Louisiana Rehabilitation Services.** For DSS-Rehabilitation Services, an individual is *eligible* for vocational rehabilitation services if the individual:

- Has a physical *or* mental impairment which for such individual constitutes or results in a substantial impediment to employment
- Requires vocational rehabilitation services to prepare for, secure, retain, or regain employment
- Can benefit in terms of an employment outcome from vocational rehabilitation services

**Office of Mental Health.** To qualify for DHH-Mental Health services the person is required to meet the following criteria:

- Be at least 18 years old
- Qualify as disabled by having a diagnosis of serious mental illness for a specified duration of the illness as well as a minimum number of hospitalizations

**Office for Citizens with Developmental Disabilities.** To qualify for DHH-Developmental Disabilities' services, the disability must manifest before the person reaches age 22, is likely

to continue indefinitely, and results in substantial functional limitations in **three or more** of the following areas of major life activity:

- Self-care
- Understanding and use of language
- Learning ability
- Mobility
- Self-direction
- Capacity for independent living

Because of the varying eligibility criteria (i.e., age requirements), there are gaps in services for some clients. For example, if a 16 year old disabled person (i.e., below average I.Q.) drops out of high school he/she may be eligible for Louisiana Rehabilitation Services/Vocational Rehabilitation program. If he/she is approved, he/she can receive job training and possibly supported employment services. Supported employment provides accommodations for a disabled person to be placed in a regular job. The accommodations may include supervision, training and/or transportation for the employee; however, this service is limited to 18 months. After that, the client may need to attend DHH-Vocational/Habilitative program (Developmental Disabilities) for ongoing follow-along services, but he/she is not eligible for the program until age 22.

### **No Overall Coordination Exists**

R.S. 46:2582 states a duty of the Governor's Office of Disability Affairs is "to coordinate the services of all state agencies serving the disabled . . .", however, there was no attempt at statewide coordination of services before the hiring of an executive director in 1998. The primary role of the office is to advise the Governor's Cabinet on disability affairs.

According to the executive director of the Office of Disability Affairs, fragmentation of services is definitely a major problem. The executive director confirmed that there is no coordination among agencies in the application process for a person with disabilities. The executive director suggested that a single point of entry would help minimize gaps in services and could lead to better coordination. We found that the office is currently working on a strategic plan to identify issues and to coordinate agencies involved with disability services. The office is also charged by state law to study conditions affecting the disabled and to make recommendations to the governor and the legislature. The office should follow up on the issues noted in this report.

Currently, the Louisiana Workforce Commission has a federal charge to develop a single point of entry for job training services in the state. As a result, the Commission is currently developing "One-Stop Shops" throughout the state to address the problem of fragmentation and overlap in services. The purpose of the shops is to coordinate all job training services for the residents of Louisiana. The shops should be fully implemented by July 2000.

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**Two  
Departments  
Offer  
Customized Job  
Training  
Services to  
Businesses**

The Department of Labor's Incumbent Worker Program and the Department of Economic Development's Workforce Development Program both award funds to businesses to develop customized training programs for employees. A total of \$12.5 million was received during FYE June 30, 1999, by the two programs. The two departments award funds for the same purpose because state legislation gives both departments authority to do so.

**Department of Labor (Labor).** R.S. 23:1514 authorizes Labor to establish its Incumbent Worker Training Program. The program began during FYE June 30, 1999, and is designed to assist businesses in developing skills of existing employees, increase employee productivity, and promote company growth. Only businesses that have operated in the state for three years or more and contributed to the state's Unemployment Insurance System can participate. To receive funding, a business must select a training provider; develop a customized training plan; and complete an application form. The award covers a two-year period. State law requires Labor to pay out funds to the entity actually providing the customized training. Labor ensures that recipients comply with its regulations through the use of in-house monitors. According to a Labor official, salary and benefits for the monitors (1.2 full-time

equivalent positions) who handle the Incumbent Worker Training Program are approximately \$60,000 annually.

**Department of Economic Development (Economic Development).** R.S. 51:2335 established the Workforce Development and Training Program and charged Economic Development with providing customized workforce training programs to existing and prospective Louisiana businesses. The interested businesses must apply for two-year training grants by submitting a completed application form along with a training plan to Economic Development. Businesses are also required to dedicate 5% (not to exceed \$10,000) of contract awards for monitoring by an outside entity. Based on documents provided by Economic Development, a potential of nearly \$200,000 in monitoring costs can be incurred by Economic Development over the two-year grant period for contracts awarded during FYE June 30, 1999.

Exhibit 2-3 below highlights information from each program.

**Exhibit 2-3**  
**Department of Labor's Incumbent Worker Program and**  
**Department of Economic Development's Workforce Development and Training Program**  
**FYE June 30, 1999**

	Services Offered	Clients Served	Available for Grants	Number of Awards	Approximate Administrative Costs	Source of Funding
<b>Department of Labor/ Incumbent Worker Program</b>	Two-year job training grants to businesses	Businesses in state more than 3 years	\$6,000,000	28	\$150,000 <sup>1</sup>	Workforce Development Training Fund
<b>Department of Economic Development/Workforce Development and Training Program</b>	Two-year job training grants to businesses	Businesses new to state; existing Louisiana businesses that have been in the state less than 3 years.	\$6,500,000	22	\$59,609	State's Vendor Compensation Fund
<b>Source:</b> Prepared by legislative auditor's staff with information obtained from Labor and Economic Development.						
<sup>1</sup> Labor's Incumbent Worker Training Program began late during FYE June 30, 1999.						

Since mid 1998, Labor and Economic Development have made efforts to improve coordination of their programs. For example, the two departments now differentiate between the types of companies each will serve. Labor targets businesses that have been in the state for more than three years, while Economic Development targets businesses that are new to the state. In addition, representatives from both departments form a team, which meets with prospective businesses to discuss the job training services the state has to offer.

Despite efforts made by Labor and Economic Development, duplication continues to exist in regard to job training assistance to businesses. Duplication is defined as two or more entities conducting identical services for accomplishment of the same goal. Both departments are providing job training services to companies because state legislation gives both authority to do so. Because two departments are providing nearly identical services, the state is incurring more costs than necessary. For example:

- Monitoring Costs: According to documents obtained from Economic Development, over the two-year grant period, a potential of nearly \$200,000 can be paid to outside monitoring entities for the 22 Workforce Training and Development grants issued during FYE June 30, 1999. Conversely, Labor uses its own in-house monitors for the Incumbent Worker Training Program at an annual cost of approximately \$60,000. If these programs were consolidated, some of the monitoring costs could be eliminated.
- Administrative Costs: The combined administrative costs for the two programs during FYE June 30, 1999, totaled \$209,609.
- Awards Issued for Same Companies: Using documentation obtained from the departments, we found that Bollinger Shipyards Lockport, LLC and Frank's Casing Crew received awards to provide incumbent worker training from both Labor and Economic Development during FYE June 30, 1999. The state incurred duplicative administrative costs because two departments used manpower and other resources to review, approve, and monitor the same

award recipients. In addition, each company has to deal with two sets of monitors, complete two applications, and be accountable to two state departments for the same purpose (see Exhibit 2-4).

**Exhibit 2-4**  
**Companies Receiving Job Training Awards**  
**From Economic Development and Labor**  
**FYE June 30, 1999**

Grant Recipients		Economic Development Workforce Training and Development Program			Labor Incumbent Worker Training Program	
Company Name	Location	Award	Monitor Fee	Award Total	Award Total	Company Total
Bollinger Shipyards Lockport, LLC	Lockport; Lafourche	\$240,000	\$10,000	\$250,000	\$179,140	\$429,140
Bollinger Marine Fabricators, LLC	Amelia	0	0	0	197,614	197,614
Frank's Casing Crew	Lafayette	125,000	6,250	131,250	216,666	347,916
<b>Total</b>		<b>\$365,000</b>	<b>\$16,250</b>	<b>\$381,250</b>	<b>\$593,420</b>	<b>\$974,670</b>
<b>Source:</b> Prepared by legislative auditor's staff from unaudited documents obtained from Economic Development and Labor.						

We also found that Labor's Incumbent Worker Training Program issued awards for both Bollinger Shipyards Lockport, LLC and Bollinger Marine Fabricators, LLC during FYE June 30, 1999. The contract award for Bollinger Shipyards Lockport was \$179,140, and the award for Bollinger Marine Fabricators was \$197,614. According to information obtained from the Secretary of State's corporation database, Bollinger Shipyards Lockport owns Bollinger Marine Fabricators. Consequently, the state awarded Bollinger companies an overall total of \$626,754 through both Labor's Incumbent Worker Training and Economic Development's Workforce Training and Development programs during FYE June 30, 1999 (see Exhibit 2-4).

It should be noted that award funds are paid directly to the training provider by Labor. According to Labor's contract with Frank's Casing Crew, the department will pay the Louisiana Technical College, Lafayette campus to train 280 employees from Frank's Casing Crew in various industry-specific subjects. This

contract runs from August 25, 1999, to June 11, 2001. Labor contracts also show that the department will pay Young Memorial Technical College in Morgan City to train 200 Bollinger Marine Fabricators employees in blueprint reading and various welding procedures. This contract runs from October 4, 1999, to October 3, 2001. Labor contracts further show that the department will pay Louisiana Technical College, Lafourche campus to train 200 employees from Bollinger Shipyards in welding-related subjects. This contract runs from August 23, 1999, to August 23, 2001.

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## **Recommendations**

- 2.1 Agencies serving the disabled population should review the written agreement regarding supported employment for consumers. There is a need for better coordination between the agencies to improve customer service and efficiency in spending.**
- 2.2 The Governor's Office of Disability Affairs should review state and federal regulations on eligibility requirements for service to the disabled, especially regarding age. More uniform requirements could help minimize gaps in services for the disabled.**

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## **Matters for Legislative Consideration**

- 2.1 The legislature may wish to consider establishing a single point of entry for disability services as a whole to facilitate providing appropriate services to the disabled population. The Louisiana Workforce Commission and the Governor's Office for Disability Affairs may be a starting point for such a service in terms of application, referrals and providing information to the public.**
- 2.2 The legislature may wish to consider consolidating the functions of Social Services' Find Work and Labor's Welfare-to-Work. Consolidation could improve efficiency and lower administrative costs in addition to providing continuous, uninterrupted service as welfare recipients move to the workplace. Although both programs are federally authorized, the legislature may have some discretion to establish one administering agency.**

- 2.3 The legislature may wish to consider consolidating Department of Labor’s Incumbent Worker Training Program and Department of Economic Development’s Workforce Training and Development Program. This action would lower administrative and monitoring costs, improve efficiency, and ensure that businesses can only receive job training grants from one source.**

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# Chapter 3: Youth Drug Abuse Prevention Programs

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## Chapter Conclusions

**Youth drug abuse prevention programs in Louisiana are supported by both state general funds and federal funds, which totaled approximately \$19.5 million in Fiscal Year Ended (FYE) June 30, 1999. At least four state agencies fund these programs. We identified one agency that funds programs with state dollars and three that funnel federal funds to local programs.**

**We found there is no overall coordination or oversight of expenditures for youth drug abuse prevention programs. As a result, state agency funding sources are fragmented. In addition, overlapping services are provided by local programs.**

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## Multiple Agencies Fund Youth Drug Abuse Prevention Programs

### Four State Agencies Fund Youth Drug Abuse Prevention Programs From Different Sources

At least four state agencies provide funding to youth drug abuse prevention programs in Louisiana. Because each agency takes some of the funds as administrative costs, not all of the \$19.5 million was spent for these programs. There was also no single state entity to coordinate or oversee these expenditures. As a result, we found that the process of funding these programs is fragmented. In addition, overlap exists among the drug abuse prevention programs provided to youth.

The following four agencies provide funds for youth drug abuse prevention programs:

1. Department of Education
2. Governor's Office of Safe and Drug Free Schools and Communities
3. Louisiana Commission on Law Enforcement and Administration of Criminal Justice (within Office of the Governor)
4. Department of Health and Hospitals

**Department of Education (Education)/Office of School and Community Support.** The Department of Education is responsible for receiving and disbursing the federal Safe and Drug-Free Schools and Communities grant money (20 U.S.C.A Sec. 7113). In FYE June 30,1999, Education disbursed \$10.9 million as follows:

- 80% to the school districts (Local Education Authorities)
- 20% to the Governor's Office of Safe and Drug Free Schools and Communities.

Of the 80% of the funds disbursed to school districts, 4% administrative costs are allowed for Education, and 5% are allowed for technical assistance. The remaining 91% goes to the school districts for drug abuse prevention programs.

**Governor's Office of Safe and Drug Free Schools and Communities Program (Governor's Office).** The Governor's Safe and Drug-Free Schools and Communities program is responsible for administering subgrants to youth drug abuse prevention programs. The subgrant money is 20% of Education allocation of the federal Safe and Drug Free Schools and Communities Grant. The office takes grant applications, disseminates them, and processes them for reimbursement to local programs.

In FYE June 30, 1999, the Governor's Office allocation was disbursed as follows:

- 5% for administrative costs
- 10% for local law enforcement/educational partnerships [includes Sheriff's office (Drug Abuse Resistance Education-DARE), police departments, and district attorneys' offices]
- 85% for community-based programs

**Louisiana Commission on Law Enforcement and Administration of Criminal Justice (the Commission).** The Commission is responsible for the administration of Drug Abuse Resistance Education (DARE). Law enforcement agencies (sheriffs and local police) apply for the funds and the Commission reviews applications for grants, provides training and monitors grants. The

Commission was allocated \$4.3 million in July 1998 for the DARE program, which is funded entirely by the state general fund.

**Department of Health and Hospitals (Health and Hospitals)/Office of Addictive Disorders.** Health and Hospitals is responsible for administering the federal Substance Abuse Prevention and Treatment grant monies that include prevention services for youth. The distribution of these funds is through nine regional human service districts to local community programs. The office was allocated \$4.3 million of the grant money in July 1998 for drug prevention in high-risk youth.

### **No Overall Coordination or Oversight of Funding**

### **Lack of Coordination Leads to Fragmentation of Funding Sources**

We found fragmentation of funding sources to local youth drug abuse prevention programs. In addition, we found that in some cases these agencies are providing funding to the same programs. Fragmentation is defined as instances where two or more agencies conduct different activities leading to the accomplishment of the same goal.

For example, DARE programs receive money from the Commission (state funds) as well as the Governor's Office of Safe and Drug Free Schools and Communities via local law enforcement agencies. Another example is that community-based programs receive money from Department of Health and Hospitals/Office of Addictive Disorders (federal substance abuse grant) and the Governor's Office of Safe and Drug Free Schools.

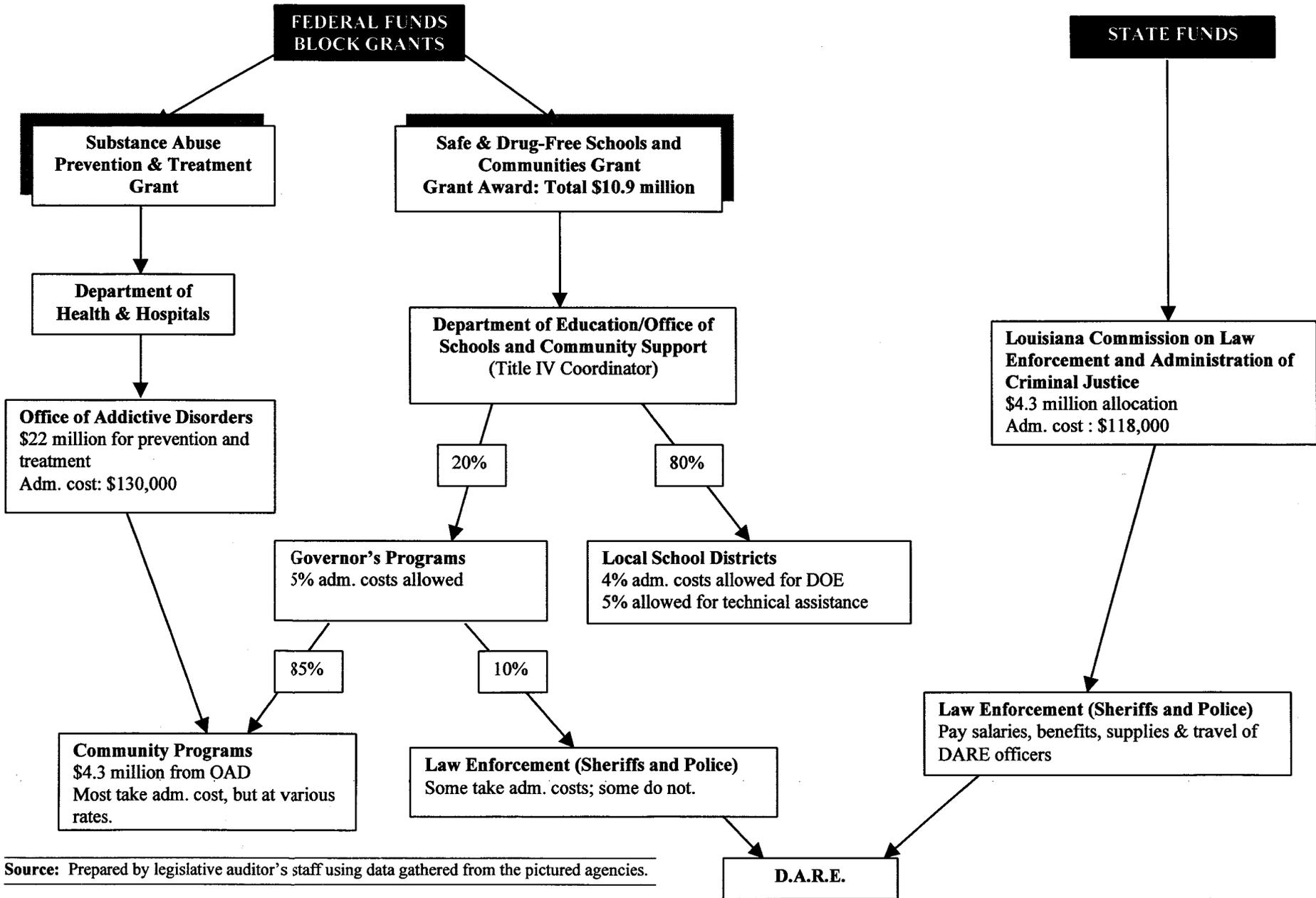
In addition, most of the state agencies that administer funds for youth drug abuse prevention programs take between 5% and 9% for administrative costs from the funding of the programs. The Louisiana Commission on Law Enforcement reported that in FYE June 30, 1999, it spent \$118,000 for the administration of the DARE program, which is 2.7% of the total funds (\$4.3 million) expended.

In the same year (FYE 1999), the Department of Education received two grants from the federal Safe and Drug Free Schools and Communities grant. As the money flows down, the Governor's Programs are allowed 5% for administrative costs before the funds go to local programs. In addition, the school district portion allows Education to take up to 4% for

administrative costs and another 5% for technical assistance. The total allowable administrative costs for these state agencies is up to 14% of the grant amount. Then, at the local level, there are more administrative costs taken that vary from one program to the other. Beginning with the FYE June 30, 2000, the funds for the Governor's Programs will not flow through the Department of Education but will go directly to the Governor's Office.

See Exhibit 3-1 on the following page for a flow chart of the funding streams.

**Exhibit 3-1  
Youth Drug Abuse Prevention  
Flow of Funds (FY 1998-1999)**



Source: Prepared by legislative auditor's staff using data gathered from the pictured agencies.

Finally, we found that R.S. 49:219.3 gives legal authority to the Governor's Drug Policy Board to coordinate drug abuse programs in the state. Specifically, R.S. 49:219.3 (5), (6), and (9) state the board shall:

- Evaluate how anti-drug monies both state and federal are used in implementing anti-drug programs at the state and local agencies.
- Evaluate changes in the methods or priorities of the allocation of funds to state and local agencies.
- Provide recommendations for improving the effectiveness of multijurisdictional operations throughout the state.

According to the Executive Director, the board was established to be a "clearinghouse committee" responsible for the implementation of the law; however, it was not funded until 1999. Consequently, the board has not begun carrying out the coordination function.

If coordination were improved and distribution of funds were streamlined, the state could reduce the amount spent on administrative costs and have more of the original funds directed to the programs. For example, the portion of the Safe and Drug Free Schools and Communities block grant funds that are currently disbursed by the Governor's Office of Safe and Drug Free Schools could be combined with the Commission's funds to administer the funding to DARE programs. Also, the Office of Safe and Drug Free Schools portion for community programs could be moved to Department of Health and Hospitals/Office of Addictive Disorders.

### **Lack of Oversight Leads to Overlapping and Duplicative Efforts**

Overlap of services exists between local drug prevention programs. We found that the programs funded by the Governor's Office of Safe and Drug Free Schools and Communities overlap with the Health and Hospital's Office of Addictive Disorders and the Commission. Overlap is defined as instances where two or more agencies conduct partially the same activities leading to the accomplishment of the same goal.

For example, Education officials stated that school-aged children participate in DARE and may also participate in community-based programs. Specifically, Department of Education officials reported that the Safe and Drug-Free Schools and Communities program activities in the schools are similar to DARE program activities and the same child can participate in both programs. In any case, the children are encouraged to participate in both services as well as other community-based programs. The activities that are common to all programs include:

- Drug education classes
- Workshops
- Summer programs
- After-school tutorials (except for DARE)

In addition, we found some duplicative efforts in the gathering of statistics through surveys in the schools. At least three agencies are conducting surveys to gather information regarding drugs and violence in the school system. The ones we identified are:

- Department of Education
- Department of Health and Hospitals/Office of Addictive Disorders
- Attorney General's Office (former authority over Drug Policy Board)

As a result, the state is spending more than it needs to educate youth about the dangers of drug abuse. Furthermore, it is not necessary for three different agencies to conduct surveys of the same population for the same purpose. We noted during our interviews that neither had knowledge of the funding priorities of the others.

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## Recommendations

- 3.1 The Governor's Office services should be coordinated with Health and Hospitals as well as the Commission to complement one another rather than overlap or duplicate the others.**

- 3.2 Once the Governor's Drug Policy Board is fully functional, it should conduct the surveys currently done by three separate agencies to increase efficiency and eliminate the duplication of efforts.**

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### **Matter for Legislative Consideration**

- 3.1 The funding sources for the youth drug abuse programs could be combined or funneled through one agency to increase efficiency and save on administrative costs.**

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# Chapter 4: Teen Pregnancy Prevention Programs

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## Chapter Conclusions

Both the Governor's Office of Women's Services and the Department of Social Services/Office of Family Support contract for teen pregnancy prevention programs in the New Orleans area. We found that Women's Services and Social Services do not communicate regarding ongoing coordination of services and monitoring of funds. Consequently, this lack of coordination between Women's Services and Social Services in establishing contracts and fiscal monitoring has led to overlap in funding for some programs. Furthermore, in Fiscal Year Ending (FYE) June 30, 1999, the state received \$3.6 million in federal as well as state dollars for teen pregnancy prevention programs that lack adequate coordination and monitoring. We found the state could realize at least \$40,000 in savings by consolidating the two funding streams.

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## Teen Pregnancy Prevention Programs Are Funded by Two Departments

### Two State Departments Fund Same Teen Pregnancy Prevention Programs

We found that at least two state agencies provide teen pregnancy prevention services. The Governor's Office of Women's Services and the Department of Social Services/Office of Family Support both contract with third parties to provide teen pregnancy prevention programs. According to Women's Services and Social Services, the two agencies received approximately \$3.6 million in state and federal funds to administer pregnancy prevention programs in FYE June 30, 1999. However, because of a lack of coordination and communication between the two agencies, we found two local teen pregnancy prevention programs that are funded by both agencies. We also noted that all programs are located in the New Orleans area, which creates an inequitable distribution of services to the residents of the state.

**Governor's Office of Women's Services (Women's Services).** R.S. 46:2523 authorizes the Office of Women's Services to develop effective programs to address the needs of teenage mothers, with an emphasis on prevention of teen pregnancy. According to a Women's Services official, the office has operated and administered teen pregnancy prevention programs since 1984. Although Women's Services does not currently provide services, the office acts in a fiscal and monitoring capacity.

In FYE June 30, 1999, Women's Services received approximately \$400,000 of state general funds on seven teen pregnancy prevention programs. Administrative costs were 10% of allocated funds, which equaled \$40,000 for that year. The only staff administering contracts was the Executive Director. In 1998, Women's Services was forced to close the Teen Center located in Baton Rouge, which was in operation for over 10 years.

**Department of Social Services/Office of Family Support (Social Services).** Social Services teen pregnancy prevention efforts began in 1998 and are funded by the federal Temporary Assistance for Needy Families (TANF) grant. The federal regulations state that one purpose of TANF is to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

In FYE June 30, 1999, the department received approximately \$3.2 million in federal funds for 11 teen pregnancy prevention programs. Social Services reported that it fully funded seven of the 11 programs last year. At that time, there were 1.5 full-time equivalent employees administering the contracts. According to Social Services, the total administrative cost allocation for the year was approximately \$69,000.

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### **No Overall Coordination of Funding to Local Programs**

### **Lack of Coordination Leads to Dual Funding of Local Programs**

Because the two agencies that fund teen pregnancy prevention programs do not communicate or coordinate their efforts, we found at least two programs that are funded by both agencies. In addition, the two agencies have different monitoring policies and procedures, which could be cumbersome to the grant recipients. Furthermore, we found that these two agencies are concentrating their efforts in the same area of the state. As a result, services may not be ultimately delivered in the most effective and efficient manner possible.

We found that both Women's Services and Social Services funded two of the same programs in FYE June 30, 1999. First, B. W. Cooper Residential Management Corporation in New Orleans established a contract with Social Services on September 1, 1998, and later with Women's Services on November 1, 1998. Similarly, St. Thomas/Irish Channel

Consortiums' Kuji Center in New Orleans established a contract with Women's Services on October 1, 1998, and a month before with Social Services on September 1, 1998. The lack of coordination between the two agencies allowed the local grant recipients to contract with the agencies at different times for the same teen pregnancy prevention programs.

See Exhibit 4-1 below for more information about the two programs.

**Exhibit 4-1**  
**Teen Pregnancy Prevention Programs Funded by**  
**Office of Women's Services and Office of Family Support**  
**FY 1998-1999**

State Office	Date of Contract	Grant Amount	Sources of Funding
<b>B. W. Cooper Residential Management</b>			
Office of Women's Services	11/1/98 - 6/30/99	\$22,500	State General Fund
Office of Family Support	9/1/98 - 8/31/99	\$248,356	Federal Block Grant
<b>St. Thomas/Irish Channel Consortium - Kuji Center</b>			
Office of Women's Services	10/1/98 - 6/30/99	\$27,000	State General Fund
Office of Family Support	9/1/98 - 8/31/99	\$122,954	Federal Block Grant
<b>Source:</b> Prepared by legislative auditor's staff from contracts provided by each agency.			

In addition, because of the dual funding of programs, the contractors who are providing the services are under additional administrative burdens. For example, contractors must apply for funding from two agencies and then be subject to two different sets of rules and regulations. We concluded that with a single funding source, some of the administrative burden would be lifted from the contractor, thereby allowing more resources to be funneled into providing services to program clients.

Furthermore, Women's Services and Social Services provide funds to teen pregnancy prevention programs that can be used for the same purposes by the contractors. For example, we found that the proposals submitted by B. W. Cooper Residential Management Corporation to the two agencies contained the same spending categories but for different amounts. Specifically, in

FYE June 30, 1999, Women's Services funded this program's salaries (\$4,000), and Social Services also funded salaries (\$87,000), in 1998. In addition, operating expenses were funded by both Women's Services (\$3,000) and Social Services (\$9,409).

Similarly, St. Thomas/Irish Channel Consortium's Kuji Center's contract budget that it submitted to Women's Services and Social Services has similar spending categories. For example, in FYE June 30, 1999, the program received funds for salaries from Women's Services (\$15,000) and from Social Services (\$86,500). This lack of coordination between agencies has led to overlap in funding for the same services.

### **No Formal Monitoring of DSS Contracts**

In addition to lack of coordination, we found that in some cases the programs are not properly monitored. Women's Services monitors its programs; however, DSS has not yet established a formal monitoring system. According to the Executive Director of Women's Services, it provides ongoing fiscal monitoring, site visits, and quarterly meetings with directors of its seven programs (FYE 1999).

However, Social Services' programs have just completed the first year of a pilot project, and it did not monitor its 11 community and school-based programs in New Orleans. Social Services reportedly approves requests for proposals (RFP) and cost reports routinely; however, it does not conduct site visits or meet regularly with program directors. Social Services did contract for a study of quality and effectiveness of programs done jointly by Tulane and Louisiana State Universities in 1999.

### **Teen Pregnancy Prevention Programs Are Not Statewide**

In addition to the issue of overlapping programs, we found that the teen pregnancy prevention programs are all located in the New Orleans area. Both Women's Services and Social Services reported that their programs are located in New Orleans, mainly because the area has a higher incidence of teen pregnancy. They reported New Orleans has 30% of all teen pregnancies in the state; however, there was no explanation of how services are provided to the other 70% of at-risk teens in Louisiana. We concluded that this

creates an inequitable distribution of services in the state because residents outside New Orleans have limited access to these programs.

### **Louisiana Should Combine Funding Sources**

If Women's Services no longer funded teen pregnancy prevention programs, its funding could be combined with Social Services' funding. Then, there could be administrative cost savings of at least \$40,000 (10% of Women's Services' allocation). Although Women's Services has the long-term experience and an established monitoring system for teen pregnancy programs, it has minimal funds and staff. Social Services has a much larger amount of federal grant monies available to administer programs but needs to improve its monitoring efforts.

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### **Recommendations**

- 4.1 The Department of Social Services and Office of Women's Services should require all contracted programs to list all funding and sources on the RFPs. Both agencies should coordinate their funding efforts.**
- 4.2 The Office of Women's Services and Department of Social Services should expand their programs to include other areas of the state and provide more equitable service to the residents of Louisiana.**

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### **Matter for Legislative Consideration**

- 4.1 The legislature may wish to consider consolidating the funding for teen pregnancy prevention programs into one department.**



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# Chapter 5: Battered Women's Shelters

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## Chapter Conclusions

At least three state agencies fund battered women's shelters. These agencies funnel federal grant monies to local programs through contracts and grants. These three agencies spent approximately \$4.7 million for the shelters in Fiscal Year Ended (FYE) June 30, 1999. We found that the funding sources' administration appears fragmented across the three agencies. This situation leads to no single entity being held accountable for funding these programs and increased administrative costs.

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## Multiple Agencies Fund Shelters

### Three State Agencies Administer Federal Grants to Local Battered Women's Shelters

We identified three state agencies that spent approximately \$4.7 million in federal funds for battered women's shelters in FYE June 30, 1999. The following three agencies provide funds for battered women's shelters:

1. Governor's Office of Women's Services
2. Department of Social Services/Office of Community Services
3. Louisiana Commission on Law Enforcement and Administration of Criminal Justice (within Office of the Governor)

**Governor's Office of Women's Services (Women's Services).** According to Women's Services officials, the office is responsible for administering contracts with local providers for community-based battered women's shelters. R.S. 46:2122 authorizes Women's Services to establish a family violence program for the development of community-based shelters for victims of family violence. The office disbursed approximately \$3.3 million in state general funds, fees and self-generated revenues, statutory dedications and federal Family Violence Prevention and Service Act grant funds in FYE June 30, 1999.

**Department of Social Services/Office of Community Services (Community Services).** Community Services is responsible for administering contracts for local homeless shelters. R.S. 36:477 states the Office of Community Services shall administer certain federal grants, which includes the Emergency Shelters Block Grant (from the federal Stewart B. McKinney Homeless Assistance Act). According to Social Services' officials, the local homeless shelters can include shelters established for special needs, such as battered women facilities. Community Services disbursed approximately \$271,000 from the Federal Emergency Shelters Block Grant in FYE June 30, 1999, for battered women's shelters.

**Louisiana Commission on Law Enforcement (the Commission) and Administration of Criminal Justice.** The Commission also funds grants with local battered women's shelters. R.S. 15:1204 gives the Commission the authority to approve or deny applications for grants for block funds provided by the Justice Improvement Act of 1979. 42 USC 46:3796(g)(g) specifies strengthening law enforcement services for domestic violence victims. The grant funds for battered women's shelters are obtained from two federal grants, specifically the Violence Against Women Act of 1994 (VAWA) and Victims of Crime Act of 1984 (VOCA). The Commission dedicated \$1.1 million to battered women's shelters in FYE June 30, 1999 (federal fiscal year basis).

Exhibit 5-1 summarizes grant funding information.

**Exhibit 5-1  
Battered Women's Shelters Grant Funding  
Fiscal Year Ended June 30, 1999**

<b>Department</b>	<b>Name of Federal Grant</b>	<b>Total Funding</b>
Governor's Office of Women's Services	Family Violence Prevention and Service Grant	\$3,300,000
Department of Social Services	Emergency Shelters Block Grant	\$271,000
Louisiana Commission on Law Enforcement	Violence Against Women Act & Victims of Crime Act	\$1,100,000*
<b>Source:</b> Prepared by legislative auditor's staff from state department unaudited information.		
*These funds were set aside but not yet spent by June 30,1999 (federal fiscal year).		

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**Fragmented  
Function Leads  
to Higher  
Administrative  
Costs****No Single Agency Is Accountable for the Funding of  
Battered Women's Shelters**

Because funding for these programs is administered by three separate agencies, we concluded that it is fragmented. There is no single agency responsible for the transferring of funds to and monitoring of the local shelters. In addition, fund recipients must go to several different agencies to obtain funding. As a result, there is fragmentation of funding sources that provide money to battered women's shelters in the state. Fragmentation occurs when two or more agencies conduct different activities leading to the accomplishment of the same goal. In this case, Women's Services, Community Services and the Commission administer separate federal block grants that all include funding for battered women's shelters. Because so many different agencies perform such similar services, the state is spending more in administrative costs such as staff salaries and other expenses than is necessary. We could not quantify specific savings because funding these shelters is only part of other functions that the agencies perform. However, we believe cost savings would be realized simply by having one agency responsible for distributing funds to battered women's shelters.

There is some coordination of funding of battered women's shelters. Women's Services coordinates with the Commission through the Victims Services Advisory Board. Women's Services also coordinates with Community Services on the Louisiana Interagency Action Council for the Homeless. Although Women's Services serves on the board and the council, there is no single agency held accountable to ensure that fragmentation of funding or potential overlap of services for battered women's shelters is minimized.

Women's Services is the primary funding source and has a 17 year history of contracting and monitoring battered women's shelters. The grant monies disbursed by Community Services and the Commission are only a small part of their total funds and not the primary purpose of the grants administered. Specifically, the funding for battered women's shelters should be funneled through one agency, which would create a single agency that is held accountable for all funds.

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## **Matter for Legislative Consideration**

- 5.1 The legislature may wish to consider establishing a single agency to fund and monitor battered women's shelters.**

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# Chapter 6: Administrative Hearings

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## Chapter Conclusions

Many state entities conduct administrative hearings to resolve disputes between themselves and individuals. State law authorizes the Division of Administrative Law to conduct the bulk of hearings for most state departments. However, state law exempts many state entities from turning over cases to the Division. In addition, some state entities continue to adjudicate their own cases because they are misinterpreting state and/or federal laws. While state law created the Division as a mechanism to consolidate administrative hearings from various agencies under one body, the intent of the law may be undermined by the many exemptions it allows. As a result, the state may not be realizing as great a savings as was intended when the legislature created the Division.

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## Louisiana's Administrative Hearings Process Is Fragmented

### Many Agencies Conduct Their Own Administrative Hearings

Numerous state entities conduct their own administrative hearings. These hearings are necessary because state law provides for an administrative process to settle disputes that arise between state agencies and individuals. To address the issue of multiple agencies conducting administrative hearings, the legislature created the Division of Administrative Law in October 1996.

R.S. 49:991 creates the Division of Administrative Law within the Department of State Civil Service. The Division's mission is to provide a neutral forum for handling administrative hearings for state agencies. According to the Division's Operational Plan, it handles and conducts adjudications (hearing and deciding cases) for many state agencies and issues final decisions and orders in those cases. It is set up as an independent agency and aims to protect the role of the administrative law judge as an impartial hearing officer. The Division was appropriated \$1.8 million conducting administrative hearings in fiscal year 1998-1999. Most of its funding comes from interagency transfers from the entities for which the Division conducts hearings.

On one hand, R.S. 49:992 authorizes the Division of Administrative Law to “commence and handle all adjudications.” However, on the other hand, this same law exempts some state boards, commissions, departments and agencies. As a result, the administrative hearing process may not be as efficient or as cost effective as perhaps the legislature intended. Also, independence of the department's administrative hearing officer could be impaired because the department pays the administrative hearing officer's salary.

### **Some Agencies Exempt From Transferring Cases**

We identified several examples of state agencies that conduct their own administrative-type hearings because state law exempts them from transferring cases to the Division of Administrative Law. Examples of departments that are exempt from turning their administrative hearings over to the Division of Administrative Law include the Department of Labor and the Public Service Commission.

### **Some Agencies May Misinterpret the Law**

Because the law that created the Division of Administrative Law is so imprecise, some agencies consider themselves to be exempt from the law for various reasons. R.S. 49:992 states that any board, commission, department or agency which is required by federal mandate as a condition of federal funding to conduct or render an adjudication proceeding shall be exempt from this law.

One such example, within the Department of Education, is the Special Populations Division. Officials with this division claim that federal law requires that it (the department) conduct its own administrative hearings.

The Special Populations Division holds due process hearings to handle any type of disputes between parents of special needs children and local school districts. To carry out the hearings, the division contracts with attorneys and others who serve as administrative hearing officers. These officers are not Department of Education employees. For fiscal year ended June 30, 1999, this division spent \$38,343 to contract for administrative hearing officers. However, since the Special Populations Division already contracts with administrative law judges, it could contract with the Division of Administrative Law to conduct these hearings.

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**Consolidation of Hearings Function Could Result in Savings to the State**

The Division of Administrative Law could conceivably handle some of the hearings presently conducted by some of the agencies that are currently exempt or that are misinterpreting the law. This consolidation could reduce the costs of conducting these hearings. The overall amount of money spent on administrative hearings in the state would decrease because an economy of scale would be achieved. Furthermore, if administrative hearings were administered by a single entity, the state and the public could benefit from having an independent body decide issues and increased consistency of rulings.

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**Matters for Legislative Consideration**

- 6.1 To eliminate any conflict with federal law, the legislature may wish to consider clarifying R. S. 49:992, which exempts some departments from turning over their administrative hearings to the Division of Administrative Law. This clarification should require that exempted departments obtain documentary evidence from their federal oversight agency that an external body could not conduct its administrative hearings.**
- 6.2 The legislature may wish to consider amending R.S. 49:992 to remove some of the exemptions it allows. This would result in greater economy of scale by having the administrative hearing process centralized.**



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# Chapter 7: Supplemental Pay to Local Public Safety Personnel

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## Chapter Conclusions

The departments that issue supplemental compensation to local public safety personnel perform overlapping functions. The Department of the Treasury and the Department of Public Safety both handle supplemental compensation, but to different groups of local public safety personnel.

We also found that the state's oversight of supplemental pay to deputy sheriffs is restricted because of legislation that authorizes the Department of the Treasury to issue lump-sum supplemental payments to local sheriffs instead of individual payments being issued directly from the state to deputies. All other local public safety personnel receive supplemental payments directly from the Department of Public Safety.

Furthermore, neither the Department of the Treasury nor the Department of Public Safety requires parishes and municipalities to include the job title/assignment of eligible employees on supplemental pay documentation. Job title and assignment are among the determining factors in establishing supplemental pay eligibility.

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## Two State Departments Administer Supplemental Payments to Local Public Safety Personnel

### Administration of Supplemental Pay Overlaps

The Department of the Treasury and the Department of Public Safety both make state supplemental payments, but to different groups of public safety personnel. As a result, both entities are performing some of the same activities to achieve the same goal.

**Department of the Treasury (Treasury).** In accordance with R.S. 33:2218.8, Treasury administers supplemental pay to deputy sheriffs. The statute also provides that supplemental pay “shall be distributed to the sheriff of each parish.” This provision prevents deputy sheriffs from receiving individual supplemental payments like all other public safety personnel.

According to a Treasury official, each month the sheriff of each parish submits a notarized invoice of eligible deputy sheriffs. The invoice includes the following information for each eligible deputy sheriff:

- Name
- Social Security Number
- Date of Eligibility
- Present Monthly Salary
- Qualifying Years
- Amount of Supplemental Payment

In turn, Treasury issues 65 lump-sum payments, one to each local sheriff. The payments are processed and issued by the state's Automated Financial System. It is then the responsibility of the local sheriff to distribute individual payments to the deputy sheriffs.

**Department of Public Safety (Public Safety).** State law authorizes Public Safety to administer supplemental pay to four groups of public safety personnel. The groups of public safety personnel and the corresponding legislation are as follows:

- Municipal Police Officers -- R.S. 33:2218.2
- Firefighters -- R.S. 33:2002
- Constables and Justices of the Peace -- R.S. 13:2591

According to state law, the mayors of each municipality are required to submit warrants to Public Safety on a monthly basis, documenting the personnel who are eligible for supplemental pay. The warrants include the following information for each payee:

- Name
- Address
- Social Security Number
- Date Employed

- Years of Service
- Amount of Payment
- Check Date
- Check Number

Public Safety issues over 10,000 checks monthly through its automated system.

### Departments Perform Similar Functions

Although both entities are legislatively authorized to make supplemental payments to public safety personnel, the functions of administering supplemental pay overlap. Overlap is defined as two or more entities conducting partially the same activity for accomplishment of the same goal. Exhibit 7-1 below compares Treasury's and Public Safety's supplemental pay functions.

#### Exhibit 7-1

#### Comparison of Supplemental Pay Functions

Department	Public Safety Personnel	Number of Monthly Payments	Format of Payments Issued	Annual Estimate of Cost
Department of the Treasury	<ul style="list-style-type: none"> <li>• Deputy Sheriffs</li> </ul>	65	Lump-sum payments to local sheriff	\$4,474
Department of Public Safety	<ul style="list-style-type: none"> <li>• Police Officers</li> <li>• Firefighters</li> <li>• Constables</li> <li>• Justices of the Peace</li> </ul>	Over 10,000	Individual payments directly to personnel	\$51,713

**Source:** Prepared by legislative auditor's staff using unaudited information provided by Treasury and Public Safety.

The function of issuing supplemental payments to local public safety personnel is not as efficient as it could be. Specifically, Public Safety currently has two staff members dedicated solely to supplemental pay. Salary and benefits for those two employees total \$51,713. One staff person with Treasury devotes 20% of her time to supplemental pay, which costs about \$4,474 in salary and benefits.

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**Louisiana Should Consider Consolidating Supplemental Payments**

All public safety supplemental pay functions could be under one department. Public Safety officials reported that should the function of making deputy sheriffs' supplemental payments be transferred to them, one additional staff person would be required to issue individual payments to each deputy sheriff. The cost of an additional staff person would be about \$24,244 annually. However, if Public Safety were to issue lump-sum payments, the cost would be less.

Because the automated system used to process supplemental payments for Public Safety was designed with the capability of processing payments for an additional group of public safety personnel, the cost associated with adding deputy sheriffs to the system would be minimal.

If the responsibility of issuing supplemental payments to deputy sheriffs were transferred to Public Safety and each deputy received individual checks, the result would be annual cost savings of about \$4,474 to Treasury and an annual cost increase of about \$24,244 to Public Safety. The net increase in cost to state government is estimated to be \$19,770 per year.

However, even though transferring deputy sheriffs' supplemental pay to Public Safety would result in immediate increased administrative costs, long-term administrative efficiency could be achieved and overlapping functions could be eliminated. In addition, because Public Safety could issue individual payments directly to deputy sheriffs, the state could have more control over the function. Furthermore, legislative oversight of payment to all local law enforcement would be improved because only one state department would be held responsible.

**Parishes and Municipalities Are Not Required to Include Job Title on Supplemental Pay Documents**

Although outside the scope of this audit, we found that neither Treasury nor Public Safety requires parishes and municipalities to include job titles of eligible employees on supplemental pay documents. Therefore, when an employee changes assignments, there is no review of his/her eligibility at the state level. As a result, there is no means of ensuring that all personnel currently receiving supplemental pay are working in eligible positions.

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## **Recommendation**

- 7.1 The Department of the Treasury and the Department of Public Safety should implement policies requiring that parishes and municipalities include current job title/assignment on supplemental pay documentation. This new policy would help ensure that state dollars are being given to the proper personnel.**

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## **Matters for Legislative Consideration**

- 7.1 The legislature may wish to consider transferring supplemental pay for deputy sheriffs from the Department of the Treasury to the Department of Public Safety.**
- 7.2 The legislature may wish to consider authorizing individual supplemental payments to deputy sheriffs.**



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# Chapter 8: Criminal Investigations

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## Chapter Conclusions

**The Department of Public Safety’s Office of State Police and the Attorney General’s Office are both legislatively authorized to conduct criminal investigations. This situation leads to duplication of effort. We found that there is no specialization in the types of investigations each department conducts. There is also no formal coordination and communication between the two investigative bodies. As a result, the state may be spending more than is necessary to provide these services.**

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## Two Departments Conduct Criminal Investigations

The Department of Public Safety’s Office of State Police (State Police) and the Attorney General’s Office (Attorney General) are conducting criminal investigations of the same types of offenses. State law gives both agencies the authority to conduct criminal investigations without differentiating between the types of investigations each will conduct. As a result, the two agencies conduct duplicative activities. In addition, the agencies function independently with little or no coordination. This situation creates inefficiency and increased cost to taxpayers.

R.S. 36:704 creates the investigation division within the Attorney General’s Office to be responsible for investigation of criminal violations, and R.S. 36:408 authorizes the Office of State Police to maintain intelligence and investigation operations related to the enforcement of criminal and traffic laws. Accordingly, both agencies conduct criminal investigations, which creates duplication. Duplication is defined as two departments conducting identical activities for accomplishment of the same goal. Because of limitations of this audit, we were unable to quantify the cost associated with the duplication.

The types of offenses investigated by both agencies include, but are not limited to, the following:

- Homicide
- Rape
- Assault and battery

- Robbery
- Burglary
- Theft
- Child pornography
- Narcotics

It should be noted that both the Attorney General and State Police provide criminal investigation assistance to local governments. However, in the majority of instances, the Attorney General will also prosecute the cases in which it has offered investigative assistance. Conversely, State Police investigates and refers cases to local district attorneys for prosecution.

Exhibit 8-1 on the following page compares the types of investigations each department does. It also shows FYE June 30, 1999, expenditures, number of field offices and other information about each department as it relates to criminal investigations.

**Exhibit 8-1**  
**Criminal Investigation Functions of**  
**Attorney General's Office and Office of State Police**

	Attorney General's Office Investigation Division	Office of State Police Criminal Investigation Program
<b>Types</b>  [Common types of investigations are shown in bold type]	<b>Homicide; assault and battery; rape;</b> kidnapping; violence to buildings and other property; misappropriation with violence to persons (e.g. <b>robbery</b> ); misappropriation without violence (e.g., <b>theft, fraud</b> ); <b>sexual immorality</b> (e.g., pornography, molestation of juvenile); official misconduct and corrupt practices; <b>malfeasance in office</b> ; filing false public records, <b>narcotics/drug violations</b> ; elections violations; <b>worker's compensation fraud</b> ; gaming; Brady Act violations; etc.	<b>Homicide; rape; battery/assault; robbery;</b> burglary; major felony <b>theft</b> ; auto theft; fugitives; <b>narcotics</b> ; drug smuggling; <b>child pornography</b> ; computer scams, bank fraud, murder-for-hires; <b>worker's compensation fraud</b> ; Medicaid fraud; and <b>malfeasance in office</b> (political corruption)
<b>FY 1998-1999 Expenditures</b>	\$1,501,785  [does not include gaming investigation]	\$9,301,654
<b>Field Offices</b>	Three field personnel in New Orleans; one field person in Monroe	Three district offices; six field offices
<b>Source of Leads</b>	Private citizens, agencies or boards, district attorneys, local governments	Majority self-generated, district attorneys, local government
<b>Prosecution</b>	Prosecutes majority of cases investigated	Cases referred to local district attorney for prosecution
<b>Source:</b> Prepared by legislative auditor's Staff from information obtained from Attorney General's Office and State Police.		

**Lack of  
Coordination  
Between Two  
Agencies Leads to  
Duplication of  
Effort**

We found that neither agency specializes in any one type of investigation. For example, the Attorney General's Office has a federal grant to conduct Medicaid fraud investigations; however, according to a State Police official, the State Police has investigated Medicaid fraud cases as well. In addition, State Police has a very heavily funded narcotics section, but the Attorney General's Office included narcotics amongst its list of investigated offenses during FYE June 30, 1999.

We also found that there is a lack of formal coordination and communication between the Attorney General's Office and State Police. Although the two investigative bodies have worked jointly on cases, there is no formal mechanism in place to ensure that duplication of effort does not occur.

For example, according to an official with the Attorney General's Office, there was an occasion where it had begun an investigation, later learned that State Police was already involved, and subsequently halted its investigation. However, in a written response to questions, the Attorney General's Office wrote that it asks the complainant if any other investigative agencies are involved before initiating an investigation to avoid duplication.

To further illustrate, a State Police official reported that it is possible for both entities to investigate the same case without the other's knowledge; however, he is not aware of any such instances.

The legislature has given the Attorney General's Office definitive authority to conduct Medicaid fraud investigation. The legislature has also given Public Safety definitive authority to conduct insurance fraud investigations. However, the authorizing legislation does not prohibit the other agency from conducting such investigations.

Specifically, Act 1312 of 1999 creates an Insurance Fraud Investigation Unit within Public Safety. The legislation allocates funds to Public Safety for investigation and to the Attorney General's Office for prosecution. However, the legislation does not prohibit the Attorney General from conducting its own insurance fraud investigations.

In addition, R.S. 40:2009.13 authorizes the Department of Health and Hospitals to refer reports of Medicaid abuse to the Medicaid Fraud Control Unit within the Attorney General's Office. However, the State Police is not legislatively prohibited from conducting Medicaid fraud investigations.

Finally, without formal communication, investigators from both investigative bodies cannot take full advantage of each other's intelligence information. This situation prevents both agencies from achieving maximum efficiency and effectiveness in their investigative functions and results in increased cost to taxpayers.

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## **Recommendation**

- 8.1 Both the Attorney General’s Office and Department of Public Safety, Office of State Police should work together to develop a formal, structured system of communication. A system should strive to eliminate duplication of effort and improve efficiency and effectiveness of criminal investigations.**

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## **Matter for Legislative Consideration**

- 8.1 The legislature may wish to consider assigning exclusive authority to the Office of State Police and the Attorney General’s Office to investigate certain types of offenses. For example, offenses can be divided into violent and non-violent categories and then assigned to each department. However, any legislation should not preclude the two state departments from pooling resources where necessary.**



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# Chapter 9: Gaming Regulation

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## Chapter Conclusions

In Louisiana, at least four state entities are involved in regulating the gaming industry. Two additional state entities provide support services such as legal representation and investigative services to the regulatory bodies. The overlapping functions create increased administrative and operational costs. In addition, efficiency is lowered, and legislative oversight is inhibited.

We also found that the state can incur a maximum of \$365,000 a year in salaries and per-diem expenses for members of the three gaming regulatory boards.

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## Multiple Entities Regulate Gaming

### Four State Entities Regulate Louisiana's Gaming Industry

At least four state entities are responsible for regulating gaming activities. The separation of gaming regulation in this manner can be attributed to legislation, which authorizes each entity to oversee a particular form of gaming. Various pieces of legislation that give each entity its authority were passed over more than a 50-year period from 1940 to 1996. As a result, the present oversight of the state's gaming industry is scattered across entities, leading to higher than necessary administrative cost.

We found that the following four entities have responsibility for regulation of different aspects of the state's gaming industry:

- Louisiana Lottery Corporation
- Louisiana Racing Commission
- Office of Charitable Gaming
- Louisiana Gaming Control Board

**Louisiana Lottery Corporation.** The Louisiana Lottery Corporation was created by a constitutional amendment in October 1990. A nine-member, salaried board of directors governs the Lottery Corporation. The corporation must transfer not less than 35% of its gross revenues to the state treasury. The board's gaming oversight responsibilities include specifying the following:

1. Types of games to be played
2. Ticket prices
3. Number and amount of prizes
4. Method and location of selecting winning tickets
5. Frequency and means of conducting drawings
6. Manner of payment of prizes
7. Manner and amount of compensation to lottery retailers
8. All other matters related to the operation of the lottery

**Louisiana Racing Commission.** The Louisiana Racing Commission was established in 1940 by the legislature and is currently under the oversight of the Department of Economic Development. Specifically, R.S. 4:144 created the 10-member Louisiana Racing Commission. The commission is responsible for making rules and regulations related to horse racing and issuing licenses to persons involved in horse racing.

**Office of Charitable Gaming.** Act 752 of 1986 created the Division of Charitable Gaming Control within the Department of Public Safety. However, as of January 1, 2000, charitable gaming is the responsibility of the Department of Revenue (Revenue). Revenue is now responsible for performing all functions related to charitable gaming. These functions include issuance of licenses for games of chance, issuance of licenses to manufacturers and distributors of supplies and equipment, and issuance of licenses to commercial lessors of premises for games.

**Louisiana Gaming Control Board.** The Louisiana Gaming Control Board was created by Act 7 of 1996. The board consists of nine salaried members. This board regulates gaming activities and operations related to the following:

1. Riverboat casinos
2. Land-based casino
3. Video draw poker
4. Indian gaming
5. Slot machine gaming

The Gaming Control Board's regulation function includes investigation, licensing, and enforcement.

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## **Two State Entities Provide Support Services to Gaming Industry**

The Office of State Police's Gaming Enforcement Division and the Office of Attorney General's Gaming Division both provide support services to the gaming industry. The Office of State Police provides investigative, licensing, and enforcement services while the Office of Attorney General provides legal advice and representation.

### **Office of State Police/Gaming Enforcement Division.**

The Office of State Police/Gaming Enforcement Division (within Department of Public Safety) is responsible for carrying out the gaming functions for the Louisiana Gaming Control Board. R.S. 27:20 requires the Office of State Police to conduct investigations, issue licenses, and enforce gaming laws. The Office of State Police is also required to perform criminal background investigations of all potential vendors, upper management staff, and security staff for the Louisiana Lottery Corporation.

### **Office of Attorney General/Gaming Division.**

R.S. 27:19 requires the Gaming Division within the Office of Attorney General to be the legal advisor and legal representative of the Louisiana Gaming Control Board and the Office of State Police in regard to gaming matters. The Gaming Division is also responsible for serving as legal advisor to all other gaming entities, which include Louisiana Lottery Corporation, Office of Charitable Gaming, and Louisiana Racing Commission.

In addition, according to an official with the Office of Attorney General's Gaming Division, that division processes portions of gaming applications and conducts portions of suitability checks for the Office of State Police that require legal knowledge and formalities. Exhibit 9-1 provides information on the various entities that share responsibilities for regulating and operating the state's gaming industry.

### Exhibit 9-1

#### Entities Engaged in Gaming Functions in Louisiana

Overall Department	Entity	Number of Employees	Function
Department of the Treasury	Louisiana Lottery Corporation	136	Regulation of games of chance
Department of Economic Development	Louisiana Racing Commission	77	Regulation of horse racing
Department of Revenue	Office of Charitable Gaming	17	Regulation of charitable raffles, bingo, keno
Department of Public Safety	Louisiana Gaming Control Board	3	Regulation of riverboat gaming, land-based casino, video draw poker, Indian gaming, slots at the tracks
	Office of State Police	333	Investigation, licensing, enforcement for gaming industry
Office of Attorney General	Gaming Division	58	Legal advice and representation to gaming industry
<b>Total Employees</b>		<b>624</b>	

**Source:** Prepared by legislative auditor's staff with information obtained from entity officials.

### Gaming Oversight Is More Costly Than Necessary

#### Overlap in Oversight of Gaming Regulation Creates Administrative Inefficiency and Increased Costs

Four different entities have responsibility for overseeing Louisiana's various gaming activities, resulting in overlapping functions. The entities that regulate Louisiana's gaming industry evolved over the 50-year period from 1940 to 1996, which might be a contributing factor to the overlap. Overlap is defined as two or more agencies performing partially the same activities leading to the accomplishment of the same goal.

Of the four entities that regulate gaming, three have boards to oversee their regulatory functions. The boards perform many of the same regulatory functions (e.g., licensing, creating policy). The three boards are:

- Louisiana Lottery Corporation Board
- Louisiana Racing Commission
- Louisiana Gaming Control Board within Public Safety

Based on Louisiana law, the potential annual cost of salaries and per diems associated with just the three boards is over \$365,000.

In addition to the cost associated with the membership of the three regulatory boards, 624 full-time equivalent positions help to regulate and offer support services to the state's gaming industry.

As a result of overlap, Louisiana is incurring increased administrative and operational costs. For instance, more than one entity issues licenses, conducts investigations, and establishes policy for gaming activities. The separation of functions also has the potential to inhibit legislative oversight by promoting gaming as individual activities as opposed to one overall industry. Furthermore, those who service the gaming industry must seek licenses and be investigated by multiple oversight bodies rather than going to one regulator.

Exhibit 9-2 lists the various gaming regulatory boards and the costs of the board members alone. We did not show the expenses associated with staff, buildings, equipment, and other costs because the expenses could not be fairly presented for all entities.

**Exhibit 9-2**  
**Gaming Oversight Board Members' Salaries and Per Diems**

Regulatory Body	Number of Members & Annual Salaries/Expenses	Maximum Annual Cost
LA Lottery Corporation	<ul style="list-style-type: none"> <li>• 8 members @ \$15,000</li> <li>• 1 chairperson @ \$25,000</li> <li>• Expense reimbursement</li> </ul>	Over \$145,000
LA Racing Commission	<ul style="list-style-type: none"> <li>• 10 members with maximum per diem of \$2,000 each</li> </ul>	\$20,000
LA Gaming Control Board	<ul style="list-style-type: none"> <li>• 8 members @ \$15,000</li> <li>• 1 chairperson @ \$80,000</li> <li>• \$100 per diem for members</li> </ul>	Over \$200,000
<b>Total Maximum Cost of Gaming Boards</b>		<b>Over \$365,000</b>
<b>Source:</b> Prepared by legislative auditor's staff from information obtained in Louisiana Revised Statutes.		

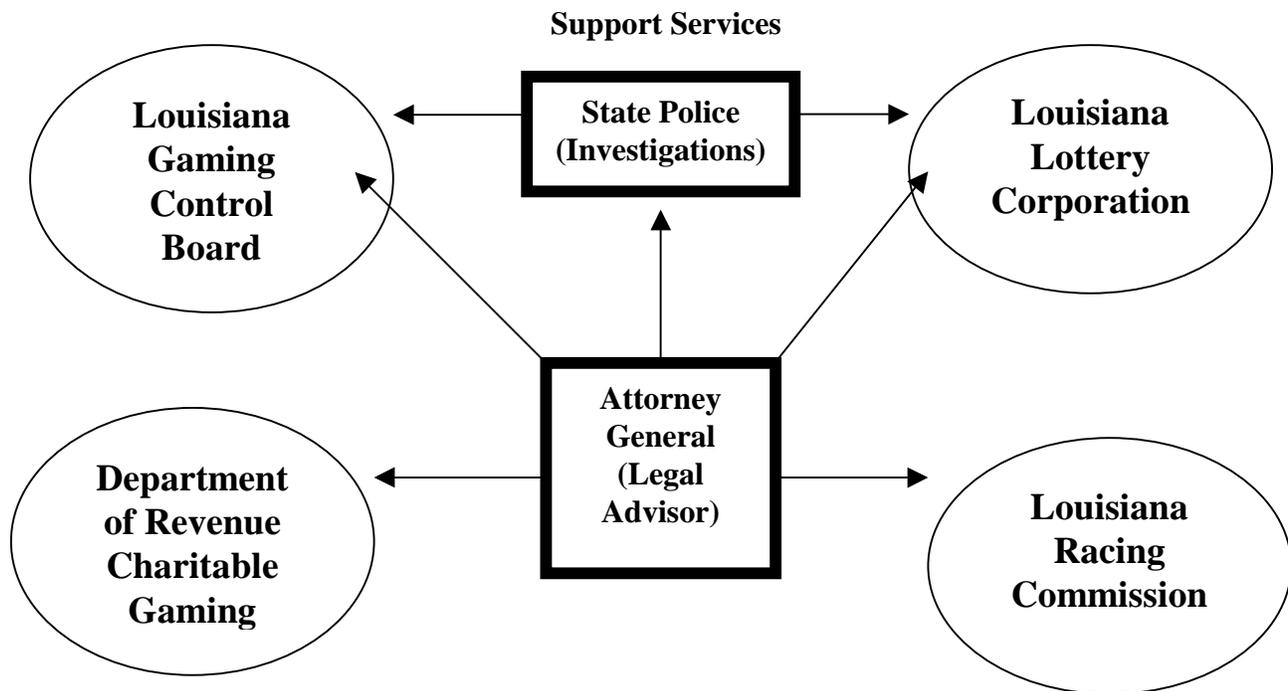
We looked at the gaming oversight structure in the state of Nevada, which has an extensive gaming industry. We accessed that state's Internet Web site and learned that Nevada's gaming regulators oversee casinos, horse racing, charitable bingo, and charitable lotteries. Nevada has a two-tiered gaming oversight system with centralized functions for personnel, licensing, gaming devices, inspections, investigations and other gaming regulatory functions. However, in Louisiana's system, each form of gaming is regulated by a separate, independent body.

Exhibit 9-3 on the following page illustrates the organizational structure of gaming regulation in Louisiana.

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**Exhibit 9-3**

## Gaming Regulation Structure




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**Source:** Prepared by legislative auditor's staff using information provided by the various entities.

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### Matter for Legislative Consideration

- 9.1** The legislature may wish to consider consolidating gaming regulation in the state. This action would reduce costs and improve overall efficiency and accountability of oversight of the state's gaming industry. Consolidation of Louisiana's gaming regulation function would also ease the burden of licensing on the various entities and on those seeking gaming licenses from the state. Any changes to the Louisiana Lottery Corporation may require a constitutional amendment.



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# Chapter 10: Commercial Vehicle Inspections

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## Chapter Conclusions

**Four state entities conduct inspections of commercial vehicles. Most inspections take place in the same locations and involve review of many of the same documents. If these inspection functions were consolidated, the costs associated with staffing, vehicles, and other equipment could be reduced.**

**Also, two state entities conduct inspections of tow trucks and are responsible for regulating the towing and recovery industry. In addition to inspecting tow trucks, both entities register vehicles, collect fees, conduct investigations in response to resident complaints, and perform facility inspections. The dual inspection and regulatory functions of these two entities lead to increased administrative and operational costs.**

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## Four State Entities Inspect Commercial Vehicles

Four separate state entities inspect commercial vehicles. For the purposes of this audit, we are defining commercial vehicles as motor carrier vehicles and tow trucks. Two units within the Department of Public Safety's Office of State Police and one within the Public Service Commission perform overlapping functions related to the inspection of motor carrier vehicles. In addition, the Towing and Recovery Unit within the Office of State Police and the Public Service Commission inspect tow trucks and regulate the towing and recovery industry. All four entities are legislatively authorized to conduct their respective activities, creating inefficient use of resources at a combined annual cost of nearly \$5.7 million.

## Three Entities Legislatively Authorized to Conduct Motor Carrier Vehicle Inspections

The Public Service Commission and the Department of Public Safety's Office of State Police's Motor Carrier Unit and its Weights and Standards Mobile Police Force all conduct motor carrier vehicle inspections. According to the Louisiana Highway Regulatory Act, a motor carrier is defined as any person owning, controlling, or operating any commercial vehicle used in the transportation of persons or property over public highways. All three entities generate revenue for the state by issuing citations to motor carriers who violate regulations. All conduct inspections at

some of the same locations, and the inspections involve examination of many of the same documents. According to unaudited documents obtained from department officials, annual expenditures for the three entities total nearly \$5.3 million.

**Public Service Commission (Commission).** The Public Service Commission's enforcement officers are responsible for enforcing requirements of the single state registration system<sup>1</sup> by inspecting motor carrier vehicles. The purpose of the commission's inspection function is to verify that motor carriers have proper registration and insurance coverage. During an inspection, these enforcement officers examine the following documents:

- Vehicle registration
- Single state registration
- Bill of lading
- Driver's log book

The Public Service Commission's enforcement officers conduct their inspections at the Department of Transportation and Development's weigh scales or on roadsides.

**Department of Public Safety (Public Safety)/Motor Carrier Unit.** The Office of State Police's Motor Carrier Unit (within Public Safety) is primarily responsible for enforcing the United States Department of Transportation's Motor Carrier Safety Regulations and Hazardous Material Handling Regulations through inspection of motor carrier vehicles. According to a Public Safety official, in order to enforce these federal regulations, officers must receive extensive training and certification.

The purpose of the Motor Carrier Unit's inspection function is to ensure driver and vehicle safety. The most intensive inspections involve examination of vehicle components (e.g., steering axle, brakes, frame assembly, power steering). In addition, the following documents are examined:

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<sup>1</sup> The single state registration system is a federal program that requires motor carriers to register their vehicles, pay fees, and file proof of insurance in a base or registration state. In addition, fees must be paid to and proof of insurance must be on file with other states in which the motor carrier operates. The Public Service Commission is responsible for administering Louisiana's participation in the single state registration system.

- Name and address on vehicle
- Single state registration
- Bill of lading
- Driver's log book
- Fuel receipts

Inspections are conducted at roadsides, weigh stations, and rest stops.

**Public Safety/Weights and Standards Mobile Police Force.** The Office of State Police's Weights and Standards Mobile Police Force (within Public Safety) is primarily responsible for enforcing the Louisiana Highway Regulatory Act. This act sets standards and penalties for motor carrier vehicle weight and size. The Weights and Standards Mobile Police Force enforces the act through roadside inspection of motor carrier vehicles.

The purpose of the weights and standards inspection function is to ensure proper weight, length, and height of motor carrier vehicles. The Weights and Standards Mobile Police Force is also responsible for enforcing the federal Motor Carrier Safety Regulations; consequently, safety is also a focus of these inspections.

In addition to assessing the weight, length, and height of a vehicle during inspection, the mobile police force reviews the following documents:

- Permits
- Driver's license
- Vehicle registration
- Single state registration

Exhibit 10-1 on the following page compares the similarities and differences among these entities.

**Exhibit 10-1****Comparison of Motor Carrier Vehicle Inspection Functions**

	<b>Department of Public Safety/ Motor Carrier Unit</b>	<b>Department of Public Safety/ Weights &amp; Standards Mobile Police Force</b>	<b>Public Service Commission</b>
<b>Regulations Enforced</b>	<ul style="list-style-type: none"> <li>Federal Motor Carrier Safety</li> <li>Federal Hazardous Material Transportation</li> <li>Fuel Tax</li> </ul>	<ul style="list-style-type: none"> <li>LA Highway Regulatory Act</li> <li>Federal Motor Carrier Safety</li> <li>Fuel Tax</li> </ul>	<ul style="list-style-type: none"> <li>Public Utilities &amp; Carriers</li> <li>Federal single state registration system</li> </ul>
<b>Vehicle Type</b>	Motor carrier vehicles	Motor carrier vehicles	Motor carrier vehicles; tow trucks
<b>Documents Examined During Inspections</b>	<ul style="list-style-type: none"> <li>Name/address on vehicle</li> <li>Single state registration</li> <li>Bill of lading</li> <li>Driver's log</li> <li>Fuel receipts</li> </ul>	<ul style="list-style-type: none"> <li>Driver's license</li> <li>Vehicle registration</li> <li>Single state registration</li> <li>Permits</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle registration</li> <li>Single state registration</li> <li>Bill of lading</li> <li>Driver's log</li> <li>Authorization stamp [wreckers only]</li> </ul>
<b>Number of Inspectors</b>	34	29	18
<b>Approximate Number of Inspections Annually</b>	40,000 vehicles	12,000 vehicles	Minimum of 45,000 vehicles
<b>Inspection Location</b>	Weigh stations; roadsides	Roadsides	Weigh stations; roadsides
<b>Source:</b> Prepared by legislative auditor's staff from unaudited information obtained from Public Safety and the Public Service Commission.			

The three entities have been given legislative authority to conduct inspections of motor carrier vehicles. Exhibit 10-2 describes the legislation that gives each entity authority to conduct inspections.

### Exhibit 10-2

#### Motor Carrier Legislation

Entity	Legal Citation	Authority (paraphrased)
Public Service Commission	R.S. 45:163 C(2)	Duly appointed officers are authorized to stop a driver and require driver to exhibit the registration certificate and other documentation; officers are also permitted to inspect contents of vehicle
Department of Public Safety/Motor Carrier Unit	R.S. 32:1505 A	Enter, inspect, and examine property or records of any person or carrier; stop and inspect transport vehicles
Department of Public Safety/Weights and Standards Mobile Police Force	R.S. 32:389 B	Inspect, measure, or weigh such vehicle, either by means of portable or stationary scales, or to require such vehicle to be driven to nearest available location equipped with facilities to inspect, measure, or weigh such vehicle
<b>Source:</b> Prepared by legislative auditor's staff using information obtained from state laws.		

Because each entity has been legislatively authorized to conduct motor carrier inspections, these functions overlap. Overlap is defined as two or more entities conducting partially the same activity for accomplishment of the same goal. In this case, three entities are working to ensure public safety by inspecting motor carrier vehicles.

According to department officials, nearly \$5.3 million was spent by the three entities during the Fiscal Year Ended (FYE) June 30, 1999. Because three different entities are involved in conducting motor carrier inspections, administrative costs as well as program costs are higher than necessary. For instance, each entity is expending funds for staffing, equipment, and vehicles. If some of these functions were consolidated, the nearly \$5 million in costs could be reduced. This reduction would come by eliminating some staff, vehicles, and equipment. By reducing costs, more of the revenue that is generated is available for other uses. Exhibit 10-3 below shows revenues generated and expenditures for FYE June 30, 1999.

**Exhibit 10-3**  
**Revenue Generated and Expenditures**  
**for Entities Conducting Motor Carrier Vehicle Inspections**  
**FYE June 30, 1999**

Entity	Revenue Generated	Expenditures
Public Service Commission	\$6,172,106	\$727,074
Public Safety/Motor Carrier Unit	3,724,623	3,040,074
Public Safety/Weights and Standards Mobile Police Force	1,384,430	1,514,656
<b>Total</b>	<b>\$11,281,159</b>	<b>\$5,281,804</b>
<b>Source:</b> Prepared by legislative auditor's staff using unaudited financial data obtained from Public Safety and Public Service Commission officials.		

**Matter for Legislative Consideration**

- 10.1** The legislature may wish to consider consolidating the inspection functions of the Public Service Commission and the Department of Public Safety's Motor Carrier Unit and Weights and Standards Mobile Police Force into one department. The three entities conduct many of the same functions, which creates unnecessary administrative and operational costs.

## **Two Entities Regulate the Towing and Recovery Industry**

As part of their duties to regulate the state's towing and recovery industry, both the Public Service Commission and the Towing and Recovery Unit (within Public Safety) inspect tow trucks. State law directs both entities to perform similar functions. Consequently, the state is not conducting this function as efficiently as it could. In addition, tow truck operators are required to register with both the Public Service Commission and the Department of Public Safety.

**Public Service Commission (Commission).** The Public Service Commission requires that wrecker services registered within the state of Louisiana file their towing rates with the commission. Wrecker services are also required to pay the commission a \$10 per vehicle fee in order to receive an "authorization stamp" to be placed in each towing vehicle. The commission also has authority to set and enforce storage rates for the industry.

According to a commission official, the state laws that grant the commission authority to regulate the towing and recovery industry went into effect in August 1999. As a result, the commission's regulatory function is not yet fully operational. Wrecker services are still in the process of filing their rates and receiving authorization stamps.

When the function is fully operational, the Public Service Commission's enforcement officers will enforce the authorization stamp requirement through roadside inspection of tow trucks. Towing and storage rates will be enforced through investigation of resident complaints of overcharging. The commission also plans to conduct periodic audits of wrecker service facilities to ensure that proper rates are being charged.

The commission does not have staff specifically dedicated to the towing and recovery function. Currently, staff persons within the commission's Transportation Department handle towing and recovery functions. Because towing and recovery is new to the Public Service Commission, annual expenditures and revenues generated for FYE June 30, 1999, are not available.

**Department of Public Safety (Public Safety)/Towing and Recovery Unit.** Wrecker services are required to file a \$100 fee with Public Safety to receive a special tow truck license plate. Wrecker services are also required to submit notification to Public Safety each time a vehicle has been stored. In turn, Public Safety submits to the wrecker service information on the ownership of the vehicle. The wrecker service is then required to notify the vehicle owner(s) of the storage and rates charged.

The Towing and Recovery Unit of the Office of State Police within Public Safety inspects tow trucks to ensure the presence and proper use of equipment for safety purposes. According to a Public Safety official, tow truck inspections are conducted at roadsides and may take approximately 15 to 25 minutes.

In addition, the Towing and Recovery Unit conducts annual inspections of wrecker service facilities. Facility inspections include review of records to ensure that storage notifications are made to Public Safety and that proper storage rates are being charged. Any tow trucks on site are also inspected during facility inspections.

Six state troopers staff the Towing and Recovery Unit. According to a Public Safety official, expenditures for FYE June 30, 1999, totaled \$402,709, and revenue generated from citations totaled \$144,390.

Exhibit 10-4 compares the towing and recovery functions of the Public Service Commission and Public Safety.

**Exhibit 10-4**  
**Similarities and Differences Regarding Towing and Recovery**

	<b>Public Service Commission</b>	<b>Department of Public Safety/Towing &amp; Recovery Unit</b>
<b>Regulations Enforced</b>	Public Utilities and Motor Carriers regulations [amended in 1999 to include towing and recovery]	Towing and Storage Act of 1989
<b>Wrecker Service Requirements</b>	File towing rates; pay \$10 per vehicle; receive authorization stamp	Pay \$100 fee; receive towing license plate; submit notification of storage to Public Safety
<b>Rates Set</b>	Towing; storage	None
<b>Rates Enforced</b>	Towing; storage	Storage only
<b>Types of Inspections</b>	Roadside of tow trucks [Commission also plans to conduct periodic audits of facilities]	Roadside of tow trucks; annual of facilities
<b>Staff</b>	Duties handled by current staff within commission's Transportation Department	6 State Troopers

**Source:** Prepared by legislative auditor's staff from information obtained from both entities.

The Public Service Commission and the Department of Public Safety are legislatively authorized to inspect tow trucks and regulate certain aspects of the towing and recovery industry. Exhibit 10-5 on the following page shows the similarities in the towing and recovery legislation. As a result of legislation, these two entities are performing overlapping functions. For example, both entities inspect tow trucks and issue licenses/permits to wrecker services. The overlapping functions create added operational and administrative costs. In addition to increased costs, the overlap of regulatory functions causes inconvenience to wrecker service operators who must register, file fees, receive licenses/permits, and undergo inspections from two separate state entities.

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**Exhibit 10-5**
**Towing and Recovery Legislation**

<b>Entity</b>	<b>Legal Citation</b>	<b>Authority (paraphrased)</b>
<b>Public Service Commission</b>	R.S. 45:180.1	Supervise, <b>govern, regulate, and control the business of the operation and use of wreckers and towing services . . .</b> , to fix reasonable and just rates, fares, tolls or charges for the commodities furnished or services rendered
<b>Department of Public Safety and Corrections</b>	R.S. 32:1714	Adopt rules and regulations to <b>govern the towing and storage industry</b> and adopt schedule of maximum fees which may be charged for the storage of vehicles

**Source:** Prepared by legislative auditor's staff from information obtained from state law.

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**Matter for Legislative Consideration**

- 10.2** The legislature may wish to consider consolidating the regulatory and enforcement functions of the towing and recovery industry into either the Public Service Commission or the Department of Public Safety.

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# Chapter 11: Hazardous Materials Handling

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## Chapter Conclusions

The Department of Public Safety's Right-to-Know Unit and the Department of Environmental Quality's Office of Environmental Sciences both collect data on hazardous materials facilities. The data are gathered from many of the same facilities, leading to overlap. In addition, both departments have developed and implemented computer systems for data collection and storage. The departments did not coordinate these efforts to attempt to minimize duplication or costs to the state. As a result, opportunities to streamline functions, ensure compatibility between the databases, and save on costs were lost.

We also found that both the Department of Public Safety's Hazardous Material Handling Unit (Hazmat) and the Department of Environmental Quality's Office of Environmental Compliance inspect hazardous materials facilities. This situation also leads to overlapping functions that are more costly to the state than necessary.

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## Two Departments Monitor Hazardous Materials

### Two State Agencies Maintain Separate Databases That Store Similar Information

Two different state departments recently developed databases that collect and store some of the same information on hazardous materials facilities. The combined cost for the databases is \$5.2 million. It appears the databases were developed without coordination between the two agencies. Both have been granted legislative authority to collect and store data on hazardous materials facilities for the purposes of public safety and permitting. However, this dual authorization leads to inefficient use of the state's resources.

State law authorizes both the Department of Public Safety (Public Safety) and the Department of Environmental Quality (Environmental Quality) to collect and store data on hazardous materials facilities. R.S. 30:2365 charges the Department of Public Safety with developing a centralized inventory reporting and notification system. In addition, R.S. 30:2014 gives the Department of Environmental Quality the authority to grant all

permits, licenses, registrations, variances, and compliance schedules.

**Department of Public Safety (Public Safety).** The Office of State Police's Right-to-Know Unit within Public Safety is responsible for administering the state's Right-to-Know law, which is detailed in Act 435 of 1985. The Right-to-Know law requires companies that store, manufacture, or use hazardous materials in Louisiana to annually report their hazardous materials inventories to the Office of State Police. The reporting of hazardous materials inventory is referred to as Tier II reporting. Companies are also required to notify the Office of State Police of any chemical release over a certain threshold.

The Right-to-Know Unit collects and stores chemical inventory and chemical release data in its newly developed on-line database, Louisiana Chemical Network. This network has the following capabilities:

- Companies can complete and submit their Tier II forms and report releases electronically via this network.
- Once fully operational, other government agencies will be able to access inventory and chemical release data online.

The Louisiana Chemical Network has been under development since Fiscal Year Ended (FYE) June 30, 1999. According to an official with the Office of State Police, the network is funded through an increase in Tier II filing fees. The total cost of development and implementation over a three-year period is expected to be \$400,000.

**Department of Environmental Quality (Environmental Quality).** The Office of Environmental Services within Environmental Quality is responsible for the permitting function. Permits are issued to facilities that conduct the following types of activities:

- Emit air contaminants
- Discharge pollutants into waters
- Use or control radioactive materials and waste
- Transport, process, or dispose of solid wastes
- Generate, transport, treat, store, or dispose of hazardous wastes

According to an Environmental Quality official, the types of data collected during the permitting process include, but are not limited to, the following:

- Inventory of hazardous materials
- Storage and location information on hazardous materials
- Control devices for emissions
- Emissions data
- Calculation method for emissions values reported
- Compliance with local ordinances
- Compliance with zoning requirements

The Department of Environmental Quality recently underwent restructuring which eliminated organization by media group (e.g., air, water) and replaced it with organization by function (e.g, compliance, permitting), creating the need for data consolidation. As a result, Environmental Quality is currently in the process of implementing an in-house database called Tools for Environmental Management and Protection Organizations (TEMPO). The primary purpose behind TEMPO is consolidation of data. Development and implementation of TEMPO began in 1998 and is expected to be complete by the end of the 2000 calendar year.

TEMPO was designed to maintain all permitting data, including last inspection date, results of last inspection, incident information, and correspondence. When fully operational, Environmental Quality inspectors will be able to access inspection

checklists from the field, and the public will be able to access permit applications and other Environmental Quality documents.

Environmental Quality contracted with a private firm to develop and implement the database at a total anticipated cost of \$4.8 million. TEMPO was funded through allocations from the Hazardous Waste Site Clean-up Fund.

Exhibit 11-1 compares Office of State Police's Right-to-Know Unit and Environmental Quality's data collection and storage functions regarding hazardous materials facilities.

**Exhibit 11-1**  
**Comparison of**  
**Department of Public Safety and Department of Environmental Quality**  
**Regarding Data Collection and Storage**

	<b>Department of Public Safety's Right-to-Know Unit</b>	<b>Department of Environmental Quality</b>
<b>Governing Regulation</b>	Right-to-Know Law	Environmental Quality Act of 1984
<b>Facilities for Which Data Is Collected and Stored</b>	Companies that store, manufacture, or use hazardous materials	Facilities that (1) emit air contaminants; (2) discharge pollutants into waters; (3) use or control radioactive materials and waste; (4) transport, process, dispose of solid wastes; and (5) generate, transport, treat, store, dispose of hazardous wastes
<b>Database</b>	Louisiana Chemical Network	Tools for Environmental Management and Protection Organizations (TEMPO)
<b>Cost of Database</b>	\$400,000	\$4.8 million
<b>Types of Data Collected</b>	Chemical inventory including storage and location; chemical releases	Chemical inventory; storage and location of inventory; emissions data; control devices for emissions; calculation method for emission values reported; compliance with local ordinances; compliance with zoning requirements, etc.
<b>Source:</b> Prepared by legislative auditor's staff from information obtained from entity officials.		

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## **Overlap Occurring Between Two Departments**

Overlap is occurring between the Public Safety's Right-to-Know Unit and the Department of Environmental Quality in regard to the collection and storage of data on hazardous materials facilities. Overlap is defined as two or more entities conducting partially the same activity for accomplishment of the same goal.

Although both departments work together and communicate during emergency responses, we found no evidence of communication or coordination between the two agencies regarding development of the two systems used to collect and store data on hazardous materials facilities. The Environmental Quality officials we spoke with from the Office of Environmental Compliance were unaware of the Office of State Police's Louisiana Chemical Network. We also found that the Office of Environmental Compliance within the Department of Environmental Quality does not use information from Public Safety's Right-to-Know function. For its inspection and emergency response functions, the Office of Environmental Compliance prefers to rely upon data obtained during Environmental Quality's permitting process because it contains more detailed information on a facility.

Because the databases were developed with limited consultation between the two agencies, opportunities were missed to streamline functions; ensure compatibility between the databases; and save on development and implementation costs. In addition, the requirement that operators of hazardous materials facilities provide similar information to two state departments creates unnecessary burden on facility operators.

The overall results of the overlapping functions are increased administrative and operational costs along with administrative inefficiency. The total cost of this overlap is not easily quantified. The costs of these systems have already been expended; however, there will be ongoing system maintenance and operating costs.

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**Two Departments  
Conduct  
Inspections of  
Hazardous  
Material  
Facilities**

Environmental Quality's Office of Environmental Compliance and Public Safety's Hazardous Material Handling Unit (Hazmat) both conduct inspections of facilities that handle hazardous materials. Both are legislatively authorized to conduct such inspections, resulting in overlap as defined earlier.

According to a department official, the Office of Environmental Compliance within the Department of Environmental Quality is required to conduct regularly scheduled inspections of facilities to which it issues permits. The purpose of the inspection function is to ensure compliance with the facility's permit(s) and to promote safety. The Office of Environmental Compliance's 200+ inspectors conduct over 10,000 facility inspections annually.

Public Safety's Hazmat Unit conducts facility inspections in response to resident complaints and chemical emergencies. The purpose of the Hazmat Unit's inspection function is to check for compliance with federal and state laws and to promote safety. According to Public Safety officials, the Hazmat unit is understaffed with only twelve troopers and is also responsible for responding to chemical emergencies throughout the state. Therefore, Hazmat troopers are unable to perform as many facility inspections as they would like.

Because both the Office of Environmental Compliance within the Department of Environmental Quality and Public Safety's Hazmat Unit conduct facility inspections, manpower and other resources are being used inefficiently, resulting in increased cost to taxpayers.

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**Recommendation**

- 11.1 The Department of Public Safety's Right-to-Know Unit and the Department of Environmental Quality should work together to combine their data collection functions through computer interfacing. For example, Environmental Quality's Office of Environmental Services could collect the inventory data needed by the Right-to-Know Unit during the permitting process. This action would eliminate the need for the Right-to-Know Unit to collect and input inventory data from facilities each year.**

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## **Matters for Legislative Consideration**

- 11.1 The legislature may wish to consider whether it wants to continue having two departments to collect data on hazardous materials. The monies already spent are lost; however, there will be ongoing system maintenance and operating costs.**
- 11.2 The legislature may wish to consider consolidating the facilities inspection functions of Public Safety's Hazmat Unit and Environmental Quality's Office of Environmental Compliance into one department as both inspect facilities that handle hazardous material.**



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## Chapter 12: Marketing Certain Louisiana-Grown Products

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### Chapter Conclusions

Four state entities perform overlapping marketing functions to promote many of the same Louisiana-grown products. Approximately \$2.9 million was spent in Fiscal Year Ended (FYE) June 30, 1999, among four state entities to market various Louisiana-grown products domestically and abroad. The overlapping of the state's marketing functions among multiple entities results in inefficient use of resources and increased administrative and operational costs.

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### Multiple Entities Market Louisiana-Grown Products

#### Four State Entities Market Certain Louisiana-Grown Products

At least four different state entities promote Louisiana-grown products. State law gives each entity the authority to conduct marketing activities. As a result, resources are not being used efficiently and operational and administrative costs are increased.

We found that the following four entities conduct various marketing functions to promote Louisiana-grown products.

- Department of Agriculture and Forestry/Office of Marketing
- Department of Wildlife and Fisheries/Louisiana Seafood Promotion and Marketing Board
- Department of Wildlife and Fisheries/Louisiana Fur and Alligator Advisory Council
- Department of Economic Development/Office of Commerce and Industry

**Department of Agriculture and Forestry/Office of Marketing.** Act 83 of 1977 created the Office of Marketing within the Department of Agriculture and Forestry. The Office of Marketing is responsible for promoting the development and growth of markets for Louisiana food and agricultural products. Marketing functions include, but are not limited to, administering promotional boards; attending national and international trade shows; and providing special assistance to industry groups. A

great portion of the Office of Marketing's functions are conducted through five industry-specific promotional boards:

- Louisiana Dairy Industry Promotion Board
- Louisiana Sweet Potato Advertising and Development Commission
- Louisiana Crawfish Promotion and Research Board
- Louisiana Catfish Promotion Board
- Louisiana Strawberry Marketing Board

Two of the five boards, the Louisiana Catfish Promotion Board and the Louisiana Crawfish Promotion and Research Board, are responsible for developing markets for Louisiana-grown catfish and crawfish, respectively. Marketing efforts for the two boards are focused on the national market.

In addition to the promotional boards, the Office of Marketing participates in national and international trade shows by purchasing booth space and then selling the space to Louisiana businesses. The Office of Marketing also develops and makes available a supplier list, which contains Louisiana contacts for alligator meat, catfish, and crawfish.

**Department of Wildlife and Fisheries/Louisiana Seafood Promotion and Marketing Board.** Act 890 of 1981 established the Louisiana Seafood Promotion and Marketing Board. The board is under the oversight of the Department of Wildlife and Fisheries and is responsible for promoting Louisiana seafood nationally and internationally. The board provides advertising, public relations services, and trade leads for both fresh and processed seafood products. Marketing is done through participation in trade shows and advertisement in trade journals along with local promotional activities. The Louisiana Seafood Promotion and Marketing Board focuses primarily on promoting the seafood industry as a whole, as opposed to assisting individual producers. It also publishes and makes available a supplier list. The supplier list contains the names and contact information for individual Louisiana producers of various kinds of seafood products, including alligator meat.

**Department of Wildlife and Fisheries/Louisiana Fur and Alligator Advisory Council.** Act 455 of 1986 created the Fur and Alligator Advisory Council. The Council is authorized to make the public aware that alligator is not an endangered species in hopes of increasing the demand for alligator products. Council representatives attend trade shows, advertise in consumer magazines for the industry, and assist individual producers with purchasing advertising space.

**Department of Economic Development/Office of Commerce and Industry.** Act 83 of 1977 created the Office of Commerce and Industry within the Department of Economic Development. The Office of Commerce and Industry is authorized to attract new industrial and business investments to Louisiana through national and international marketing. In addition to other functions related to economic development, the Office of Commerce and Industry works directly with Louisiana businesses to generate sales leads nationally and internationally. The Office of Commerce and Industry participates in trade shows to help promote Louisiana products by either purchasing or subsidizing booth space for business owners. Although the majority of the Office of Commerce and Industry's marketing functions involve industrial and manufacturing products, it also promotes finished products such as alligator skins.

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## Marketing Functions Overlap

### Overlap Exists in the Promotion of Louisiana-Grown Products

We found overlapping functions in the areas of seafood promotion, alligator product promotion, and trade show participation.

**Seafood Products Promotion.** We identified the following boards that are responsible for marketing Louisiana seafood products.

- Louisiana Seafood Promotion and Marketing Board
- Louisiana Catfish Promotion Board
- Louisiana Crawfish Promotion and Research Board

The promotional activities of the three boards mentioned above are funded through fees assessed on various participants in

the seafood industry (e.g., fishermen, sack manufacturers, feed manufacturers). The boards promote their respective industries independently. In addition, the Louisiana Seafood Promotion and Marketing Board participates in national and international trade shows to promote Louisiana seafood. The three boards spent a combined total of \$688,000 during the FYE June 30, 1999.

**Alligator Products Promotion.** Four entities are involved in promoting Louisiana alligator products.

- Fur and Alligator Advisory Council
- Office of Marketing, within Agriculture and Forestry
- Office of Commerce and Industry, within Economic Development
- Louisiana Seafood Promotion and Marketing Board

The Fur and Alligator Advisory Council and the Office of Marketing with Agriculture and Forestry both attend trade shows for the leather industry to promote alligator hides. The Office of Marketing and the Louisiana Seafood Promotion and Marketing Board both publish and distribute seafood supplier lists that include contacts for alligator meat. Finally, the Office of Commerce and Industry within Economic Development promotes alligator products internationally. Consequently, all four entities are using resources to promote the same product.

**Trade Show Participation.** Based on documentation that we received from agency officials, we found that the following entities attended and participated in some of the same trade shows to promote Louisiana-grown products.

- Department of Agriculture and Forestry/Office of Marketing
- Department of Wildlife and Fisheries/Louisiana Seafood Promotion and Marketing Board
- Department of Wildlife and Fisheries/Fur and Alligator Advisory Council
- Department of Economic Development/Office of Commerce and Industry

Exhibit 12-1 lists the entities involved and the trade shows attended by more than one entity.

### Exhibit 12-1

#### Trade Shows Attended by Each Entity

<b>Agriculture and Forestry Office of Marketing</b>	<b>Wildlife and Fisheries Louisiana Seafood and Marketing Board</b>	<b>Wildlife and Fisheries Fur and Alligator Advisory Council</b>	<b>Economic Development Office of Commerce and Industry</b>
<ul style="list-style-type: none"> <li>• International Boston Seafood Show</li> <li>• Louisiana Restaurant Association Trade Show</li> <li>• Florida Restaurant Association Show</li> <li>• Southwest Foodservice Expo</li> <li>• Pan American Leather Show</li> <li>• International Travelgoods, Leather and Accessories Show</li> <li>• Food-Expo '99</li> </ul>	<ul style="list-style-type: none"> <li>• International Boston Seafood Show</li> <li>• Louisiana Restaurant Association Trade Show</li> <li>• Florida Restaurant Association Show</li> <li>• Southwest Foodservice Expo</li> </ul>	<ul style="list-style-type: none"> <li>• Pan American Leather Show</li> <li>• International Travelgoods, Leather and Accessories Show</li> </ul>	<ul style="list-style-type: none"> <li>• Food-Expo '99</li> </ul>
<p><b>Source:</b> Prepared by legislative auditor's staff with information provided by the respective departments.</p>			

During FYE June 30, 1999, approximately \$2.9 million was spent on promoting certain Louisiana-grown products. Because multiple entities are marketing these products and performing some of the same functions, resources are being used unwisely. For example, four entities participate in several of the same trade shows to promote Louisiana-grown products nationally and internationally, leading to excess travel costs. The overlapping functions create increased administrative and operational costs along with overall inefficiency. Exhibit 12-2 on the following page lists the entities involved with marketing and their estimated expenditures for FYE June 30, 1999.

In addition, consumers may be incurring increased costs for seafood and other products because fees are assessed on multiple participants in the seafood industry (e.g., fisherman, sack manufacturers) in order to fund the promotions operations. However, we did not do any work in this area to determine if prices are increased as a result of fees.

**Exhibit 12-2**  
**FY 1998-99 Estimated Expenditures for Entities**  
**That Market Louisiana-Grown Products**

Department	Entity	Estimated Expenditures FYE June 30, 1999
Department of Agriculture and Forestry	Office of Marketing	\$2,086,968 <sup>1</sup>
	Louisiana Crawfish Promotion and Research Board	65,316
	Louisiana Catfish Promotion Board	84,494
Department of Wildlife and Fisheries	Louisiana Seafood Promotion and Marketing Board	538,575
	Fur and Alligator Advisory Council	195,959 <sup>2</sup>
Department of Economic Development	Office of Commerce and Industry	22,000 <sup>3</sup>
<b>Total Estimated Expenditures</b>		<b>\$2,993,312</b>
<sup>1</sup> According to the department, less than 50% of this amount is used to promote Louisiana-grown products. However, we did not verify this.		
<sup>2</sup> According to the council, this amount includes funds spent on alligator promotion, marketing, conservation, and education during the 1998-99 fiscal year.		
<sup>3</sup> According to the department, the total amount spent on promoting finished agricultural products is approximately 5% of the total budget for the Office of Commerce and Industry.		
<b>Source:</b> Prepared by legislative auditor's staff from unaudited information obtained from department officials.		

**Two Departments  
Have Contract  
Employees in  
Mexico**

We found that the Office of Commerce and Industry within the Department of Economic Development has an office in Mexico City, Mexico, and the Office of Marketing within the Department of Agriculture and Forestry has an office in Merida, Mexico. Both departments have contracts with Mexican liaisons to provide Louisiana business owners with trade leads and marketing assistance. The liaisons are also responsible for promoting Louisiana products to Mexican and Latin American markets. The contracts for both entities include funding for office space, communications, and travel (within Mexico/to other countries) in addition to salary for the liaisons.

The Department of Economic Development spends approximately \$87,000 annually on its Mexican office, and the Department of Agriculture and Forestry spent approximately \$58,000 in FYE June 30, 1999. The total spent by the two departments is approximately \$145,000 annually.

Two departments are incurring costs to operate Mexican offices for similar purposes, leading to overlap and increased administrative and operational costs to the state. The marketing functions of these two offices should be consolidated to reduce costs.

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## **Recommendation**

**12.1 The Louisiana Economic Development Council (authors of Vision 2020, Louisiana's economic development plan) may want to consider coordinating the marketing functions of (1) the Office of Commerce and Industry within Economic Development, (2) the Office of Marketing within the Department of Agriculture and Forestry, (3) the Louisiana Seafood Promotion and Marketing Board, and (4) the Fur and Alligator Advisory Council.**

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## **Matters for Legislative Consideration**

**12.1 The legislature may wish to consider consolidating the various promotion boards under one department. This change would reduce administrative costs and allow resources to be used more efficiently. For instance, advertising and promotion dollars could be combined to allow for more concentrated and effective marketing efforts.**

**12.2 The legislature may wish to consider establishing a marketing function within a state department that handles both domestic and international marketing efforts. It could then abolish other efforts and require all promotion of Louisiana products to be conducted through that one entity, which the legislature can hold accountable.**



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# Chapter 13: Recreational Areas

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## Chapter Conclusions

At least four state agencies are managing recreational areas in Louisiana. State law gives authority to all of the agencies to provide recreational services to the public. We found that there is no overall management plan for these recreational sites. In Fiscal Year Ended (FYE) June 30, 1999, the agencies spent approximately \$20.3 million to provide these different recreational areas for public use.

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## Four Agencies Manage Recreational Areas

We found that at least four different state agencies manage similar types of recreational areas for public use. Various state laws authorize all four agencies to oversee these sites. As a result, there is overlap of management efforts among the agencies. We also found that there is no overall management plan for the state's recreational needs.

We identified the following four departments manage areas that are used for recreational purposes in the state.

- Department of Transportation and Development/  
Sabine River Authority
- Department of Agriculture and Forestry/Office of  
Forestry
- Department of Culture, Recreation and  
Tourism/Office of State Parks
- Department of Wildlife and Fisheries/Office of  
Wildlife

**Department of Transportation and Development/  
Sabine River Authority.** R.S. 38:2321 creates the Sabine River Authority as a conservation and reclamation district. Sabine River Authority is an ancillary agency of the Department of Transportation and Development. The authority reports its main purpose is to manage the Toledo Bend Reservoir area. The mission of the Sabine River Authority is to provide for preservation of the waters . . . drainage, public recreation, and hydroelectric power for the residents of Louisiana. According to documents obtained from a Sabine River Authority official, during

FYE June 30, 1999, Sabine River Authority spent about \$500,000 on the management of recreational areas.

**Department of Agriculture and Forestry/Office of Forestry.** R.S. 3:4402 authorizes the State Forestry Commission to adopt a comprehensive forest and recreational management plan for the Alexander State Forest and Indian Creek Lake. The primary purpose of the Forestry Commission is to maintain timber. However, one of the department's goals is to enhance recreational services. The Department of Agriculture and Forestry manages one recreational site, Indian Creek Recreation Area. The area encompasses a 2,250 acre lake, 100 acres of developed recreation facilities and a 250 acre primitive camping area all within Alexander State Forest. According to documents obtained from a department official, during FYE June 30, 1999, the department spent approximately \$317,000 for the management of Indian Creek Lake.

**Department of Culture, Recreation and Tourism.** R.S. 36:201 creates the Office of State Parks within the Department of Culture, Recreation and Tourism. State Park's overall mission is to protect and preserve the state's natural resources. Specifically, the Parks and Recreation Program is responsible for preserving and interpreting natural area sites that provide outdoor recreation opportunities in natural settings and administering inter-governmental programs related to outdoor recreation and trails. Parks must meet certain requirements, one of which is that they must be a minimum of 250 acres. According to documents obtained from a department official, the Office of State Parks spent approximately \$13.5 million for the management of state park sites in FYE June 30, 1999.

**Department of Wildlife and Fisheries/Office of Wildlife.** The Office of Wildlife's primary mission is to preserve and maintain wildlife and their habitat. R.S. 36:609 authorizes the Office of Wildlife to be responsible for performing the functions of the state relating to the administration and operation of programs relative to certain wildlife management areas and game preserves. Because of its focus on preserving wildlife, the office will accept donations of land for wildlife management areas regardless of size. According to documents obtained from a department official, the office spent approximately \$5.9 million on wildlife management areas in FYE June 30, 1999.

Exhibit 13-1 provides information regarding expenditures and sources of funding for agencies managing recreational sites.

**Exhibit 13-1**  
**Estimated Expenditures and Sources of Funding**  
**for Agencies Managing Recreational Areas**  
**FYE June 30, 1999**

Agency	Estimated Expenditures for Recreation Areas	Source of funding
DOTD/Sabine River Authority	\$523,492	Fees and self-generated revenue
AGF/Office of Forestry	\$317,774	Self-generated revenue and fees
CRT/Office of State Parks	\$13,546,710	State general fund and self-generated revenue
DWF/Office of Wildlife	\$5,925,330	Federal and state funds
<b>Total Expenditures</b>	<b>\$20,313,306</b>	
<b>Source:</b> Prepared by legislative auditor's staff using unaudited data provided by agency officials.		

Total expenditures for maintaining recreational areas in Louisiana for FYE June 30, 1999, were approximately \$20.3 million.

**Overlapping Efforts Among Agencies**

**Activities and Management of Recreational Areas Overlap Among Agencies**

The four agencies provide similar leisure activities at the recreational areas. For example, all areas offer the following activities:

- Camping
- Hiking
- Fishing

In addition, Office of State Parks provides outdoor recreation such as bird watching, boating, and swimming. Indian Creek Lake in Alexander State Forest is administered similar to a state park.

Wildlife Management Areas offer wildlife-oriented public recreation, which includes consumptive (i.e., deer hunting and fishing) and non-consumptive (bird watching, camping and hiking) activities. Office of Wildlife is also responsible for the regulation of hunting and fishing in the state.

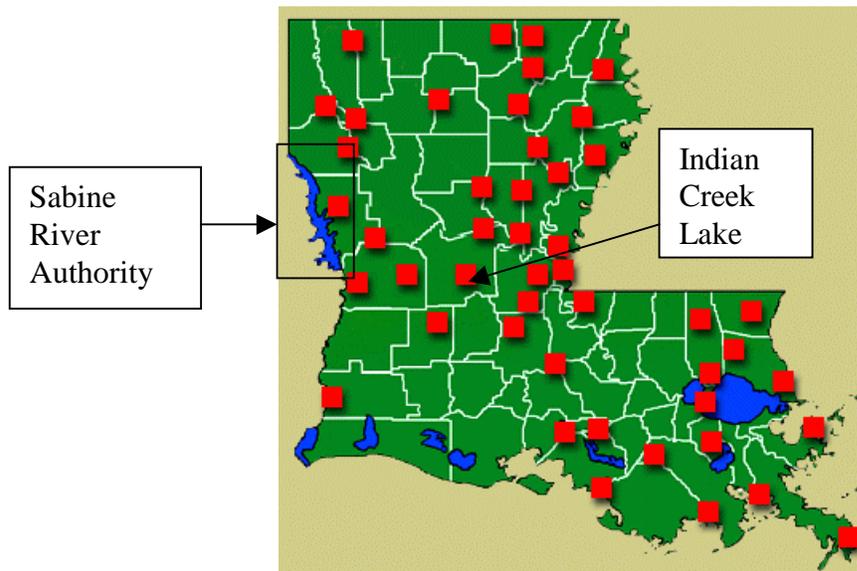
The four agencies administer the recreational areas separately causing an overlap in management efforts. Specifically, Office of Wildlife has 53 Wildlife Management Areas and four Refuges; Office of State Parks has approximately 17 state parks; the Sabine River Authority has three developed recreational sites; and Office of Forestry has one recreational area, Indian Creek Lake in Alexander State Forest. Although the departments overall have different purposes, in this one respect, their purposes overlap. Exhibit 13-2 on the next page provides two maps that illustrate Louisiana's many recreational areas.

**Exhibit 13-2**

**Maps Illustrating Louisiana's Recreational Areas**



**Wildlife Management Areas**



**Source:** Prepared by legislative auditor's staff using maps from the Department of Culture, Recreation and Tourism's Web site and the Department of Wildlife and Fisheries' Web site.

The state needs an overall management plan for its recreational sites, which would enhance coordination and improve efficiency of providing this service to the public. As it stands, each department has its own management and administrative staffs along with the associated costs. However, if these functions were consolidated, some of these administrative and management costs could be eliminated.

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## **Matter for Legislative Consideration**

- 13.1 Should the legislature decide to require a statewide strategic plan, the provision of recreational services in Louisiana should be an area that is targeted for consolidation.**

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# Chapter 14: State Museums

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## Chapter Conclusions

Two different state departments, the Department of Culture, Recreation and Tourism and the Department of State, manage museums for the state. We found that both departments have similar museum functions that are overlapping; however, state law authorizes the creation of both programs. In Fiscal Year Ended (FYE) June 30, 1999, the state spent \$5.9 million on these two museum functions. If the functions were consolidated, the state could realize some savings in administrative costs.

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## Law Authorizes Two Agencies to Perform Museum Functions

### State Law Authorizes the Existence of Two Museum Programs With Similar Functions

State law authorizes the Department of Culture, Recreation and Tourism (Office of State Museum) and the Department of State (Museum Program) to manage state museums. Because two different departments are authorized to manage museums, the state could be spending more in administrative costs than is necessary. Combined, the two departments spent \$5.7 million in FYE June 30, 1999, to manage the state's museums.

**Department of Culture, Recreation and Tourism/Office of State Museum.** R.S. 25:341 establishes the Louisiana State Museum within the Department of Culture, Recreation and Tourism, Office of State Museum. The Louisiana State Museum is a statewide museum system, which is established as a complex of facilities under the management and supervision of the Office of State Museum. Currently, the Office of State Museum is responsible for 11 state museum properties that are legally required to meet museum accreditation standards. Nine of the 11 museums are located in the New Orleans area. The Louisiana State Museum system is accredited by the American Association of Museums. According to documents obtained from a department official, the Office of State Museum spent about \$4.1 million on museums in FYE June 30, 1999.

**Department of State/Museum Program.** In contrast, the Department of State Museum program is not legislatively mandated. However, R.S. 36:744 transfers five museums to the

Department of State, two of which were previously managed by the Department of Culture, Recreation and Tourism. Furthermore, R.S. 49:150.1 places the Old Arsenal Powder Museum under the Legislative Budgetary Control Council, who in turn entrusted the Old Arsenal to the Department of State. The Department of State Museum program is not required by law to attain museum accreditation. According to documents obtained from a Department of State official, the department spent \$1.6 million on museums in FYE June 30, 1999.

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## **Museum Functions Overlap**

### **Two Museum Programs Overlap**

We found that the Department of Culture, Recreation and Tourism and the Department of State museum functions overlap. For example, both departments' museum functions provide education about Louisiana culture to the public. This overlap of museum programs is a result of state laws that split the museums between two different departments.

We also found the museum functions of both agencies have similar missions. For example, the Department of Culture, Recreation and Tourism's mission is to collect, preserve, and present as an educational resource, objects of art, documents, artifacts and the like which reflect the history, art and culture of Louisiana. The mission of the Department of State's Museum program is to present and to interpret how Louisiana's history and heritage has been shaped by her people, her form of government, her unique politics, her technology, and her natural habitat by using exhibits and special programming to educate the public.

By having two different departments provide similar museum services, with similar missions, the state could be spending more in costs to administer these museums than is necessary.

Exhibit 14-1 on the next page shows information regarding the Department of Culture, Recreation and Tourism and the Department of State museum programs.

**Exhibit 14-1****Department of Culture, Recreation and Tourism and  
Department of State Museum Programs**

<b>Department</b>	<b>Mission Statement</b>	<b>Legal Authority</b>	<b>Number of Museums</b>	<b>Cost of Programs (FYE 98-99)</b>
Culture, Recreation and Tourism	<u>Office of State Museum:</u> To collect, preserve, and present, as an educational resource, objects of art, documents, artifacts, and the like which reflect history, art and culture of Louisiana.	R.S. 25:341	11	\$4.1 million
Department of State	<u>Museum Program:</u> To present how Louisiana's history and heritage has been shaped by her people; form of government; unique politics; technology and natural habitat by using exhibits and special programming to educate the public.	R.S. 36:744	5	\$1.6 million
		R.S. 49:150	1	

**Source:** Prepared by legislative auditor's staff using information provided by department officials.

**Centralizing  
Museum  
Functions Would  
Improve  
Management and  
Streamline Costs**

As already stated, we found that the management of the museum functions is not centralized and leads to inefficient use of state resources. According to the Department of Culture, Recreation and Tourism museum officials, there would be no administrative cost savings to move the museums under one department because of the accreditation standards requirement. They reasoned that the cost to bring the Department of State museums up to American Association of Museum standards would be "exorbitant" and would far outweigh any cost savings. For example, the Old State Capitol building does not lend itself to conversion into a "traditional" museum. Some of its fixed features are not adaptable for museum functions and would require physical improvements as well as additional staff.

As it stands, the state operates a dual museum system with some museums accredited and others not. However, we conclude that the potential savings of administrative costs are possible if the museums were placed in one department and the remaining administrative staff eliminated. The program costs to operate each museum would probably remain the same. Resources for maintenance of the museums could be shared, thus reaching an economy of scale. Although it is difficult to quantify the amount

of savings from this consolidation, centralizing the museum functions could improve management and streamline costs.

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### **Matter for Legislative Consideration**

- 14.1 The legislature may wish to consider consolidating the management and supervision of the state's museums. If the museums were placed under the Department of Culture, Recreation and Tourism, the accreditation mandate will have to be revised also.**

# Appendix A

## Trends in Overall Findings and Recommendations From Act 1100 Audit Reports

# Appendix A: Trends in Overall Findings and Recommendations From Act 1100 Audit Reports

REPORT TITLE	EXECUTIVE BUDGET YEAR ANALYZED	MISSIONS AND GOALS CONSISTENT WITH LEGISLATIVE INTENT & LEGAL AUTHORITY	MISSIONS, GOALS, OBJECTIVES, & PERFORMANCE INDICATORS CONSISTENT WITH CRITERIA <sup>1*</sup>	OBJECTIVES & PERFORMANCE INDICATORS PROVIDE USEFUL INFORMATION FOR DECISION-MAKING PURPOSES	OVERLAPPING, DUPLICATIVE, OR OUTDATED PROGRAMS, FUNCTIONS AND ACTIVITIES
1. <b>Department of Agriculture and Forestry</b> 7/2/97	1996-1997	No - Some offices are performing functions that are not expressly provided for in the section of state law that establishes the purposes of these offices.	<ul style="list-style-type: none"> <li>• Most missions meet criteria.</li> <li>• Only a few programs do not have goals.</li> <li>• Few objectives meet criteria ( not timebound or measurable).</li> <li>• Some indicators are provided with no related objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Yes - Some boards perform overlapping functions, and some boards and commissions perform functions similar to department functions.</li> </ul>
2. <b>Office of the Lieutenant Governor (OLG) and the Department of Culture, Recreation and Tourism (CRT)</b> 4/29/98	1997-1998	Yes - Most program missions meet all established criteria and are consistent with state law.	<ul style="list-style-type: none"> <li>• No overall mission for OLG or CRT.</li> <li>• Most missions meet criteria.</li> <li>• Most of CRT's objectives are measurable, but few are timebound.</li> <li>• None of OLG's objectives are measurable or timebound.</li> </ul>	No - CRT No - OLG	<ul style="list-style-type: none"> <li>• Yes - Potential overlap may exist between the LA Tourism Development Commission and the LA Tourism Promotion District.</li> <li>• The Kenner Naval Museum Commission and the LA Historical Jazz Society may be potentially outmoded.</li> </ul>
3. <b>Department of State Civil Service</b> 2/18/99	1997-1998	Yes	<ul style="list-style-type: none"> <li>• Most missions meet criteria.</li> <li>• Few of the objectives are measurable.</li> <li>• Few of the goals meet criteria.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Yes - Two areas of potential duplication identified: <ul style="list-style-type: none"> <li>• The three civil service programs perform similar functions, but serve different populations.</li> <li>• Division of Administrative Law and some other state departments provide administrative hearings.</li> </ul> </li> </ul>

<sup>1</sup> The established criteria was developed by the OLA using information from GASB, OMB, the Urban Institute and *Manageware* to compare the missions, goals and objectives and performance indicators.

REPORT TITLE	EXECUTIVE BUDGET YEAR ANALYZED	MISSIONS AND GOALS CONSISTENT WITH LEGISLATIVE INTENT & LEGAL AUTHORITY	MISSIONS, GOALS, OBJECTIVES, & PERFORMANCE INDICATORS CONSISTENT WITH CRITERIA <sup>1*</sup>	OBJECTIVES & PERFORMANCE INDICATORS PROVIDE USEFUL INFORMATION FOR DECISION-MAKING PURPOSES	OVERLAPPING, DUPLICATIVE, OR OUTMODDED PROGRAMS, FUNCTIONS AND ACTIVITIES
4. <b>Department of Economic Development</b> 11/14/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>All missions and goals meet criteria.</li> <li>Objectives meet most criteria.</li> <li>Few indicators measure progress toward the objectives.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>Yes - There are three potentially overlapping functions within DED that serve small businesses.</li> <li>Also, two commissions that are not funded through DED but are affiliated with the department appear to have potentially overlapping functions related to motor vehicle dealers.</li> <li>Two programs appear to be outmoded.</li> </ul>
5. <b>Department of Elections and Registration</b> 10/22/97	1996-1997	No - Voting Machines program conducts special elections that possibly violate the state constitution. No law specifically authorizes these elections.	<ul style="list-style-type: none"> <li>No missions for any programs.</li> <li>Only 1 of 4 programs has a goal.</li> <li>Few objectives meet criteria.</li> <li>Indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>No</li> </ul>
6. <b>Department of Environmental Quality</b> 10/1/97	1996-1997	Yes - Some functions are mandated by state law but are not being performed because they are not funded.	<ul style="list-style-type: none"> <li>Mission meets criteria.</li> <li>Few objectives meet the criteria.</li> <li>Few goals met the criteria.</li> <li>Most indicators do not measure progress toward the objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - Potential duplication identified but is being addressed by the department.</li> </ul>
7. <b>Office of the Governor (Executive Department)</b> 9/2/98	1996-1997	Yes	<ul style="list-style-type: none"> <li>No overall mission for the Office of the Governor, but entities in have missions, which align with state law.</li> <li>Few objectives/goals met the criteria.</li> <li>Indicators were deficient, but show improvement.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - Several entities may overlap and duplicate each other's efforts in alcohol and drug abuse and rural development /some entities and functions may be outmoded.</li> </ul>

<sup>1</sup> The established criteria was developed by the OLA using information from GASB, OMB, the Urban Institute and *Manageware* to compare the missions, goals and objectives and performance indicators. Auditor's note: The performance indicators in objective two are not consistent to generalize, so this issue is best addressed by objective three, which deals with whether or not the indicators collectively provide useful information for decision-making purposes.

REPORT TITLE	EXECUTIVE BUDGET YEAR ANALYZED	MISSIONS AND GOALS CONSISTENT WITH LEGISLATIVE INTENT & LEGAL AUTHORITY	MISSIONS, GOALS, OBJECTIVES, & PERFORMANCE INDICATORS CONSISTENT WITH CRITERIA <sup>1*</sup>	OBJECTIVES & PERFORMANCE INDICATORS PROVIDE USEFUL INFORMATION FOR DECISION-MAKING PURPOSES	OVERLAPPING, DUPLICATIVE, OR OUTMODDED PROGRAMS, FUNCTIONS AND ACTIVITIES
<b>8. Department of Health and Hospitals</b> 11/19/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>• Most missions and goals are not clearly identified, thus do not meet criteria.</li> <li>• Few objectives meet criteria.</li> <li>• Most indicators do not show progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Yes - Potential for duplication in the areas of health-related licensing was identified.</li> <li>• No overlap or outmodedness.</li> </ul>
<b>9. Department of Insurance</b> 2/4/98	1997-1998	Yes	<ul style="list-style-type: none"> <li>• Missions meet nearly all criteria.</li> <li>• No goals are provided for any of the offices.</li> <li>• Few objectives meet criteria.</li> <li>• None of the indicators measure progress.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Yes - several instances of potential overlap and outmodedness and one instance of potential duplication within DOI was identified.</li> </ul>
<b>10. Department of Justice</b> 9/23/98	1997-1998	Yes	<ul style="list-style-type: none"> <li>• Program missions meet criteria.</li> <li>• Few goals meet criteria.</li> <li>• Few objectives meet criteria.</li> <li>• Most indicators do not measure progress.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Yes - Potential for overlap, but department has addressed problem.</li> <li>• No duplication.</li> <li>• Eleven statutorily created functions are unfunded and may be outmoded.</li> </ul>
<b>11. Department of Labor</b> 5/25/97	1996-1997	No - No clearly identified mission statements are in the 1996-97 executive budget, but three statements in the program descriptions could be construed to be missions.	<ul style="list-style-type: none"> <li>• Few of the statements construed to be missions, goals and objectives meet criteria.</li> <li>• Indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Yes - Four programs and several related boards, commissions and like entities may have some overlapping aspects. Six programs whose functions are contained in statute may be outmoded.</li> </ul>

<sup>1</sup> The established criteria was developed by the OLA using information from GASB, OMB, the Urban Institute and *Manageware* to compare the missions, goals and objectives and performance indicators.

REPORT TITLE	EXECUTIVE BUDGET YEAR ANALYZED	MISSIONS AND GOALS CONSISTENT WITH LEGISLATIVE INTENT & LEGAL AUTHORITY	MISSIONS, GOALS, OBJECTIVES, & PERFORMANCE INDICATORS CONSISTENT WITH CRITERIA <sup>1*</sup>	OBJECTIVES & PERFORMANCE INDICATORS PROVIDE USEFUL INFORMATION FOR DECISION-MAKING PURPOSES	OVERLAPPING, DUPLICATIVE, OR OUTMODDED PROGRAMS, FUNCTIONS AND ACTIVITIES
<b>12. Department of Natural Resources</b>  10/16/97	1996-1997	Could not be determined for department offices. Programs all have adequate statutory authority.	<ul style="list-style-type: none"> <li>No missions for the department or its offices, but have program missions.</li> <li>Less than half of program missions identify program clients.</li> <li>Few objectives meet criteria.</li> <li>Two program goals meet criteria.</li> <li>Few indicators measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>No overlap or duplication, several outmoded or unfunded activities.</li> </ul>
<b>13. Department of Public Safety and Corrections, Corrections Services</b>  11/18/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>Most programs do not have missions and goals.</li> <li>Majority of objectives do not meet criteria.</li> <li>Most indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - Several areas of potential overlap and duplication within the department/no outmodedness.</li> </ul>
<b>14. Department of Public Safety and Corrections, Public Safety Services</b>  11/4/98	1997-1998	Yes	<ul style="list-style-type: none"> <li>No overall departmental mission.</li> <li>Missions and goals not reported for all budget units.</li> <li>Missions, goals and objectives are not consistent with criteria.</li> <li>Most indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - Two potentially duplicative functions identified within the department.</li> </ul>
<b>15. Department of Public Service</b>  5/28/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>Missions do not meet established criteria.</li> <li>No goals for any of the programs.</li> <li>None of the objectives meet the criteria.</li> <li>Indicators do not provide sufficient useful information.</li> </ul>	No	<ul style="list-style-type: none"> <li>No overlap or duplication.</li> <li>Potentially outmoded activity identified (regulation of rates and services of certain intrastate motor carriers).</li> </ul>

<sup>1</sup> The established criteria was developed by the OLA using information from GASB, OMB, the Urban Institute and *Manageware* to compare the missions, goals and objectives and performance indicators.

REPORT TITLE	EXECUTIVE BUDGET YEAR ANALYZED	MISSIONS AND GOALS CONSISTENT WITH LEGISLATIVE INTENT & LEGAL AUTHORITY	MISSIONS, GOALS, OBJECTIVES, & PERFORMANCE INDICATORS CONSISTENT WITH CRITERIA <sup>1*</sup>	OBJECTIVES & PERFORMANCE INDICATORS PROVIDE USEFUL INFORMATION FOR DECISION-MAKING PURPOSES	OVERLAPPING, DUPLICATIVE, OR OUTMODDED PROGRAMS, FUNCTIONS AND ACTIVITIES
<b>16. Department of Revenue</b> 12/9/98	1997-1998	Yes - Generally missions and goals consistent with state law; however, program authority not always accurate and complete.	<ul style="list-style-type: none"> <li>Some missions and goals are absent or incomplete.</li> <li>None of the objectives are measurable or timebound.</li> <li>Indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - potential overlap.</li> <li>Some program activities are outmoded or not implemented.</li> </ul>
<b>17. Department of Social Services</b> 10/8/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>No department mission – office and program missions are not clearly identified.</li> <li>Most objectives do not meet criteria (2 of 4 criteria).</li> <li>Few indicators measure progress.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - One instance of duplicative functions; one instance of potential overlap.</li> <li>Several instances of unfunded and inactive programs, committees and commissions.</li> </ul>
<b>18. Department of State</b> 9/17/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>Missions generally meet criteria.</li> <li>No goals for any program.</li> <li>None of the objectives are timebound and only one is measurable.</li> </ul>	No - Performance information could be made more useful to legislators and others for decision-making.	<ul style="list-style-type: none"> <li>Yes - Duplication between DOS and DED with the First Stop Shop program; the Museums and the Archives and Records programs both display exhibits.</li> </ul>
<b>19. State Education System</b> 11/17/97	1996-1997	Yes, generally BESE Special Schools and Commissions DOE	<ul style="list-style-type: none"> <li>No overall departmental mission.</li> <li>Few goals provide a sense of direction.</li> <li>Few objectives meet 2 of 4 criteria.</li> <li>Majority of indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - Potential overlap and duplication within some DOE and Special Schools and Commissions budget units, executive budget programs; statutorily created programs and functions; and related boards, commissions and like entities.</li> <li>Some outmoded programs and functions within DOE and Special Schools and Commissions.</li> </ul>

<sup>1</sup> The established criteria was developed by the OLA using information from GASB, OMB, the Urban Institute and *Manageware* to compare the missions, goals and objectives and performance indicators.

REPORT TITLE	EXECUTIVE BUDGET YEAR ANALYZED	MISSIONS AND GOALS CONSISTENT WITH LEGISLATIVE INTENT & LEGAL AUTHORITY	MISSIONS, GOALS, OBJECTIVES, & PERFORMANCE INDICATORS CONSISTENT WITH CRITERIA <sup>1*</sup>	OBJECTIVES & PERFORMANCE INDICATORS PROVIDE USEFUL INFORMATION FOR DECISION-MAKING PURPOSES	OVERLAPPING, DUPLICATIVE, OR OUTMODDED PROGRAMS, FUNCTIONS AND ACTIVITIES
<b>20. Department of Transportation and Development</b> 11/10/97	1996-1997	Yes	<ul style="list-style-type: none"> <li>Some missions and goals are absent or incomplete.</li> <li>Few objectives meet all criteria (only 2 of 4).</li> <li>Most indicators do not measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - Some functions within DOTD potentially overlap or duplicate other DOTD functions and programs of other state agencies, boards, commissions and like entities.</li> </ul>
<b>21. Department of the Treasury</b> 4/8/98	1997-1998	Yes - Generally yes with a few exceptions.	<ul style="list-style-type: none"> <li>No departmental mission.</li> <li>Most program missions and goals are consistent with criteria.</li> <li>Few objectives provide specific measurable target levels of performance.</li> <li>Most indicators do not measure progress toward the objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - potential for duplication (according to 1993 OLA audit) in some functions of the four state retirement systems.</li> <li>Two outmoded provisions in law regarding State Bond Commission.</li> </ul>
<b>22. Department of Wildlife and Fisheries</b> 10/31/97	1996-1997	No - Some functions lack specific legal authority or are inconsistent with legal authority.	<ul style="list-style-type: none"> <li>No overall departmental mission.</li> <li>Most programs do have missions.</li> <li>Few goals and objectives meet criteria.</li> <li>Few indicators measure progress toward objectives.</li> </ul>	No	<ul style="list-style-type: none"> <li>Yes - duplication between the statutory powers of the Department of Wildlife and Fisheries and the Louisiana Wildlife and Fisheries Commission.</li> <li>Two potential areas of overlap within the department relating to responsibility for fish habitat.</li> </ul>

<sup>1</sup> The established criteria was developed by the OLA using information from GASB, OMB, the Urban Institute and *Manageware* to compare the missions, goals and objectives and performance indicators.

## Appendix B

# Executive Branch Departments and Their Missions

# Appendix B: Executive Branch Departments and Their Missions

<b>Executive Branch Department</b>	<b>Source</b>	<b>Department Mission</b>
Department of Agriculture and Forestry	<i>Department of Agriculture and Forestry Strategic Plan FY 1998-99 Through FY 2002-2003</i>	The mission of the Louisiana Department of Agriculture and Forestry is to administer the laws, rules and regulations of the state regarding the growing, harvesting, processing, storing and sale of forest, crop and livestock commodities.
Department of State Civil Service	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of State Civil Service is to develop and administer human resource practices that enable employees and organizations to provide cost-effective, quality services in a manner that is consistent with Article X of the Louisiana Constitution and consistent with the unique requirements of operating in the public sector.
Office of the Lieutenant Governor and Culture, Recreation and Tourism	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Office of the Lieutenant Governor is to serve as governor in the event of a vacancy in the Office of the Governor or the inability of the governor to act as such; to serve as commissioner and exercise authority over the Department of Culture, Recreation and Tourism; and to administer grants and appropriations for the Office of Lieutenant Governor Grants Program.
Department of Economic Development	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of Economic Development is to develop and implement policies and programs designed to promote growth opportunities for business and entrepreneurs, provide meaningful employment to Louisiana's citizens, and market the state as a location for business and industry.
Department of Education	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of Education is to provide visionary leadership that seeks to identify educational and related needs of people and quality services that meet the needs and enhance the quality of life for all.
Department of Elections and Registration	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of Elections and Registration is to provide to the citizens of Louisiana the most efficient, honest and reliable elections.
Department of Environmental Quality	<i>Louisiana Department of Environmental Quality Strategic Plan, July 1, 1998-June 30, 2003</i>	The mission of the Department of Environmental Quality is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.
Office of the Governor (Executive Department)	N/A	No overall mission was available for the Office of the Governor.

Executive Branch Department	Source	Department Mission
Department of Health and Hospitals	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of Health and Hospitals is to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana.
Department of Insurance	<i>Louisiana Department of Insurance, Strategic Plan for Fiscal Years 1999-2003</i>	The mission of the Department of Insurance is to enforce the insurance laws and regulations of the State impartially, honestly, and expeditiously. To this end, the highest ethical, professional, and work quality standards will be exercised in all formal and informal relationships with individuals, agencies, and companies affected by the policies and actions of the Department. It is the Department's commitment to be the best insurance regulatory agency in the United States.
Department of Justice	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of Justice, Office of the Attorney General, is to achieve excellence by providing superior public legal representation, professional and effective law enforcement, and assertive public advocacy to the State of Louisiana in the most efficient and cost-effective manner possible.
Department of Labor	<i>Department of Labor Strategic Plan, Fiscal Year 1998-1999 to Fiscal Year 2002-03</i>	The mission of the Louisiana Department of Labor is to work to lower the unemployment rate in Louisiana by working with employers, employees, and government agencies to provide the training, assistance, and regulatory services that develop a diversely skilled work force with access to good-paying jobs.
Department of Natural Resources	<i>State of Louisiana Department of Natural Resources Strategic Plan, Fiscal Year 1998-1999 to Fiscal Year 2002-2003</i>	The mission of the Louisiana Department of Natural Resources is to manage, protect and preserve the state's non-recurring natural resources and wetlands through conservation, regulation and scientifically sound management, in a manner that builds satisfying relationships with our stakeholders who are citizens, business and industry customers, educational communities, other state, federal and local agencies, employees, and the state legislature.
Department of Public Safety and Corrections, Corrections Services	<i>Department of Public Safety and Corrections: Corrections Services Strategic Plan FY 1998-99 Through 2002-03</i>	The mission of Corrections Services is to provide for the custody, control, care and treatment of adjudicated offenders through enforcement of the laws and management of programs designed to ensure the safety of the public, staff, and inmates and reintegrate offenders into society.

<b>Executive Branch Department</b>	<b>Source</b>	<b>Department Mission</b>
Department of Public Safety and Corrections, Public Safety Services	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of Public Safety Services is to uphold the law and provide for the safety and security of lives and property. The mission includes providing courteous and professional assistance in the areas of State Police functions (such as traffic enforcement, criminal and narcotics investigations, gaming enforcement, crime analysis and criminal records keeping); licensing of motor vehicles and drivers; promotion of highway and fire safety; regulation of liquefied petroleum gas handling and distribution; and the regulation and oversight of gaming in the state.
Department of Public Service	<i>Department of Public Service Strategic Plan, FY 1998-1999 Through FY 2002-2003</i>	The mission of the Public Service Commission is to regulate the rates and service practices of the utilities and motor carriers operating in the State of Louisiana in order to secure for the public safe, adequate and reliable service at rates that adequately compensate the utilities and carriers while ensuring affordable rates to the customers.
Department of Revenue	<i>Louisiana Department of Revenue Five-Year Strategic Plan (FY 1999-2003)</i>	The mission of the Department of Revenue is to serve the citizens of Louisiana by administering efficiently the state's tax and regulatory statutes in a manner that will generate the highest degree of public confidence in the Department's integrity and fairness.
Department of Social Services	<i>Louisiana Department of Social Services Strategic Plan, July 1, 1998-June 3, 2003</i>	The mission of the Department of Social Services is to assist individuals, children and families in meeting their basic human needs of economic self - support and self-sufficiency, and in protecting their physical and emotional well being, in accordance with State and Federal laws and regulations.
Department of State	<i>Department of State Five Year Strategic Plan 1998-2003</i>	In order to better serve the people of Louisiana, the secretary of state shall head the department and shall be the chief election officer of the state. He shall prepare and certify the ballots for all elections, promulgate all election returns, and administer the election laws, except those relating to voter registration and custody of voting machines. He shall administer the state corporation and trademark laws. . . . serve as keeper of the Great seal of the State of Louisiana and attest therewith all official laws, documents . . . ; administer and preserve the official archives of the state. He shall administer the First Stop Shop program, which gives current and potential business owners a single place to go for all the necessary licensing information to operate within the state. . . .

Executive Branch Department	Source	Department Mission
Department of Transportation and Development	<i>Louisiana Department of Transportation and Development Five Year Strategic Plan (For FY 1999 through FY 2003)</i>	The mission of the Louisiana Department of Transportation and Development is to provide, in cooperation with our public and private partners, quality intermodal transportation and water resources systems responsive to the needs of the public.
Department of the Treasury	<i>1999-2000 Executive Budget Supporting Document</i>	The mission of the Department of the Treasury, Office of State Treasurer, is to manage state funds by promoting prudent cash management and investment strategies as well as monitoring, regulating, and coordinating state and local debt obligation as mandated by the Constitution and laws of the State of Louisiana.
Department of Wildlife and Fisheries	<i>Louisiana Department of Wildlife and Fisheries, Strategic Plan Fiscal Years 1999-20003</i>	The mission of the Department of Wildlife and Fisheries is to manage, conserve, and promote wise utilization of Louisiana's renewable fish and wildlife resources and their supporting habitats through replenishment, protection, enhancement, research, development, and education; to provide opportunities for knowledge of and for the use and enjoyment of the resources placed under the stewardship of the Department; and to provide a safe environment for the users of these resources.
<b>Source:</b> Created by legislative auditor's staff using the 1999-2000 Executive Budget Supporting Document and department strategic plans.		

# Appendix C

## Audit Issue Areas and Departments Involved

# Appendix C: Audit Issue Areas and Executive Branch Departments Involved

Issue Area	Executive Branch Department	Report Chapter
<b>Workforce Preparation Programs</b>	<ul style="list-style-type: none"> <li>◆ Department of Economic Development</li> <li>◆ Department of Health and Hospitals</li> <li>◆ Department of Labor</li> <li>◆ Louisiana Workforce Commission</li> <li>◆ Department of Social Services</li> <li>◆ Office of Disability Affairs (Office of the Governor)</li> </ul>	2
<b>Youth Drug Abuse Prevention</b>	<ul style="list-style-type: none"> <li>◆ Department of Education</li> <li>◆ Louisiana Commission on Law Enforcement and the Administration of Criminal Justice (Office of the Governor)</li> <li>◆ Drug Policy Board (Office of the Governor)</li> <li>◆ Office of Safe and Drug Free Schools and Communities (Office of the Governor)</li> <li>◆ Department of Health and Hospitals</li> </ul>	3
<b>Teen Pregnancy Prevention</b>	<ul style="list-style-type: none"> <li>◆ Office of Women’s Services (Office of the Governor)</li> <li>◆ Department of Social Services</li> </ul>	4
<b>Battered Women’s Shelters</b>	<ul style="list-style-type: none"> <li>◆ Office of Women’s Services (Office of the Governor)</li> <li>◆ Louisiana Commission on Law Enforcement and Administration of Criminal Justice (Office of the Governor)</li> <li>◆ Department of Social Services</li> </ul>	5
<b>Administrative Hearings</b>	<ul style="list-style-type: none"> <li>◆ Department of State Civil Service--Division of Administrative Law</li> </ul>	6
<b>Supplemental Pay to Law Enforcement Personnel</b>	<ul style="list-style-type: none"> <li>◆ Department of Public Safety and Corrections (Public Safety)</li> <li>◆ Department of the Treasury</li> </ul>	7
<b>Criminal Investigations</b>	<ul style="list-style-type: none"> <li>◆ Department of Justice (Office of Attorney General)</li> <li>◆ Department of Public Safety and Corrections (Public Safety Services)</li> </ul>	8

Issue Area	Executive Branch Department	Report Chapter
<b>Gaming Regulation</b>	<ul style="list-style-type: none"> <li>◆ Louisiana State Racing Commission</li> <li>◆ Louisiana Gaming Control Board</li> <li>◆ Department of Revenue</li> <li>◆ Louisiana Lottery Corporation</li> </ul>	9
<b>Commercial Vehicle Inspections</b>	<ul style="list-style-type: none"> <li>◆ Department of Public Safety and Corrections (Public Safety Services)</li> <li>◆ Louisiana Public Service Commission</li> </ul>	10
<b>Hazardous Materials</b>	<ul style="list-style-type: none"> <li>◆ Department of Environmental Quality</li> <li>◆ Department of Public Safety and Corrections (Public Safety)</li> </ul>	11
<b>Marketing Louisiana Products</b>	<ul style="list-style-type: none"> <li>◆ Department of Agriculture and Forestry</li> <li>◆ Department of Economic Development</li> <li>◆ Department of Wildlife and Fisheries               <ul style="list-style-type: none"> <li>◆ Louisiana Fur and Alligator Advisory Council</li> <li>◆ Louisiana Seafood Promotion and Marketing Board</li> </ul> </li> </ul>	12
<b>Recreational Areas</b>	<ul style="list-style-type: none"> <li>◆ Department of Agriculture and Forestry</li> <li>◆ Department of Culture, Recreation and Tourism</li> <li>◆ Sabine River Authority</li> <li>◆ Department of Wildlife and Fisheries</li> </ul>	13
<b>Museum Programs</b>	<ul style="list-style-type: none"> <li>◆ Department of Culture, Recreation and Tourism</li> <li>◆ Department of State</li> </ul>	14

**Source:** Created by legislative auditor's staff using information provided in this audit report

Appendix D  
Agency Responses

Response of the  
Division of Administrative Law

(See Chapter 6.)



*State of Louisiana*  
Division of Administrative Law

P.O. Box 44033, Baton Rouge, La. 70804-4033

Main phone (225) 342-1800

Administrative Hearings Clerk (225) 342-1811 • Fax (225) 342-1812

Located at: 654 Main Street, Baton Rouge, La. 70802

M.J. "MIKE" FOSTER, JR.  
GOVERNOR

March 15, 2000

ANN WISE  
DIRECTOR

Mr. Daniel G. Kyle, Phd., CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

RECEIVED  
LEGISLATIVE AUDITOR  
2000 MAR 16 AM 9:41

Dear Mr. Kyle:

I have reviewed the draft performance audit report of the Division of Administrative Law ("DAL"). I agree with your recommendations, particularly that there is much duplication of effort among state agencies which continue to conduct their own hearings, and that transferring those cases to the DAL may save the state money.

The DAL has a highly trained staff of professional, impartial Administrative Law Judges ("ALJs") who are available to provide adjudication services to any state agency, board or commission. In addition to our main office with several hearing rooms in Baton Rouge, we have offices in Metairie, Lafayette, Shreveport and Monroe, plus we travel statewide to other locations to conduct hearings. We also offer mediation services.

A similar pool of ALJs, or "central panel," is used in 25 states to conduct a wide variety of state agency hearings, including those which your report recommends for transfer to the DAL, such as Department of Education's Special Populations cases under the Individual with Disabilities Act, tax cases, and other exemptions listed in La. R.S. 49:992. In some states, the central panel conducts all state administrative hearings.

The DAL provides a highly efficient hearings service. Our average cost per hearing is 10% of the southern regional average and 11% of the national average. Our average number of hearings conducted per ALJ is 321% of the regional and 277% of the national average. In short, the State of Louisiana is receiving a great bargain financially for the conduct of its administrative hearings by the DAL. The quality of the performance provided is also very high. No price can be placed on the value to the public of having impartial and professional ALJs hear their state agency disputes.

Very truly yours,

Ann Wise  
Director

AW/cc

Response of the  
Department of Agriculture  
and Forestry

(See Chapters 12 and 13.)



## **BOB ODOM**

COMMISSIONER OF AGRICULTURE & FORESTRY

March 15, 2000

W. G. "BUD" COURSON  
DEPUTY COMMISSIONER

POST OFFICE BOX 631  
BATON ROUGE, LOUISIANA 70821

Dr. Dan Kyle  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

re: Response to Performance Audit by Mr. David Greer

### Chapter Conclusions

The Chapter Conclusions state that "the overlapping of the state's marketing functions among multiple entities results in inefficient use of resources, and increased administrative and operational costs."

This statement is made without any documentation to show that resources available to the four state entities can be more efficiently utilized. Each state entity marketing program, as I know them, serves a different public constituency or receives program funding from sources dedicated to a specific state entity to manage.

Additionally, the report has identified only two areas of concern relative to proposed overlapping, namely trade shows and the two Mexico offices. The Office of Marketing duties and program responsibilities extend beyond these two areas of concern, and I assume that the review was favorable in all other program areas. It is not valid, however, to assign the entire budget for the Office of Marketing to the promotion of Louisiana-grown products when in fact the other program areas represent significantly more than 50 percent of the budget.

### Trade Shows

The statement is correct that the Department of Agriculture and Forestry/Office of Marketing is given the responsibility by the Legislature for promoting the development and growth of markets for Louisiana food and agricultural products. The report places substantial emphasis on overlapping of trade show participation and is correct that more than one entity has participated in the same show. A listing of twenty-four trade shows in which we have participated in the last two years was submitted upon request to the auditor; however, only seven were identified as overlapping with another state entity.

Dr. Kyle  
March 15, 2000  
Page 2

The policy of the Office of Marketing has been for many years to recruit companies to participate in trade shows in a booth/pavilion sponsored by the Department of Agriculture and Forestry. We serve as a facilitator/coordinator for these companies, most of whom are small to medium sized companies that either could not or would not participate on their own and without assistance from us. Participation usually ranges from two to twenty companies in a single show.

Other state entities that participate in trade shows tend to have educational booths representing an industry, generic representation without company participation, catalog booths representing multiple companies with literature to generate trade leads and, to some limited degree, company participation. All types of presentation are favorable and beneficial for the state of Louisiana; however, we have chosen to work more directly with companies, and less with generic presentations except in cases where we sponsor a commodity promotion board booth.

With respect to the overlapping of Food Expo '99 (Japan) by the Office of Marketing and the DED, Office of Commerce & Industry, as illustrated on Page 91 of Chapter 12 (Exhibit 12-1), there is no overlapping. The Office of Commerce & Industry has assigned to them a JETRO (Japan External Trade Organization) senior trade advisor, housed in their office, to assist in trade between Japan and Louisiana. One of the activities covered under this arrangement is the sponsorship of a booth (pavilion) in this food trade show. We work closely with the JETRO representative and the Office of Commerce & Industry staff on this activity by assisting recruitment of food companies to participate and by providing a staff person to assist in the booth. However, we do not have a separate booth, nor do we share in the expenses of the booth. This is a cooperative arrangement which we support, and we have no problem with not being the lead agency for this food show due to the JETRO support.

It is also perfectly logical and appropriate to have two state entities participating in the same trade show, but with different constituencies and presentations. If the entities joined forces, it would not save money on booth space or staff representation. It would not be appropriate, for example, for the Louisiana Seafood Promotion and Marketing Board to participate in the Florida, Louisiana and Texas Restaurant Association Shows as listed on Page 91 of Chapter 12 (Exhibit 12-1) with a generic seafood promotion booth and have the Department of Agriculture and Forestry participate in the same booth with companies representing red meats, pickles, jams/jellies, pie mixes and other products unrelated to seafood. Nor would it be appropriate to have a single state entity manage a booth with such product presentation diversity. No, or at best, nominal savings would occur in booth space/cost and staff management/participation with consolidation.

Dr. Kyle  
March 15, 2000  
Page 3

### Alligator Marketing

The Louisiana Alligator Market Development Authority assigns to the Louisiana Department of Agriculture and Forestry (LDAF) the responsibility of developing marketing programs to support processing facility(s) funded by the Authority.

The program that has been developed is budgeted at \$50,000 per year by LDAF. Through a cooperative endeavor with the Florida Department of Agriculture and Consumer Services (FDACS), and the Southern U.S. Trade Association (SUSTA), this amount has been multiplied to \$150,000 worth of promotion. SUSTA is funded by the U.S. Department of Agriculture and manages international market development programs run by the various departments of agriculture in the 15 state southeast region. Only the departments of agriculture whose commissioners/secretaries make up the SUSTA Board of Directors can access these funds.

The two trade shows mentioned on Page 91 of Chapter 12 (Exhibit 12-1), where alligator products were exhibited, were part of the LDAF's commitment to the cooperative agreement. In fact, the only budget requirement for the International Travelgoods, Leather and Accessories Show by the LDAF was travel for one employee to and from Orlando, Florida. The FDACS paid all other expenses for this exhibition.

The presentations at the two events by LDAF and the Louisiana Fur and Alligator Advisory Council (Council) are completely different. The Council conducts an educational only booth with no commercial activity allowed, while the LDAF and FDACS furnish a pavilion for private firms to use to sell skins, hides, meat, intermediate and finished products. The firms or individuals reimburse the departments for a portion of the expenses in providing the pavilion.

On the surface, it may appear to be an overlap of services provided by two state entities participating in the same trade shows; however, the source of funding and method of presentation are completely different. A clear understanding of the funding relationships and cooperative agreement between LDAF, FDACS and SUSTA (not available to other state entities) was not made known to the auditor who may have arrived at a different conclusion.

### Mexico Office

The Department choose Merida, Yucatan, for our office location in Mexico because it offered certain advantages specifically for Louisiana agriculture that could not be achieved through the Department of Economic Development's Mexico City office. These advantages include:

- ▶ Direct nonstop twice a week freight service from Louisiana (Port of Bienville) to the Port of Progreso, 20 km from Merida. This ocean freight service is an important competitive advantage for getting products into the peninsula for Louisiana producers.
- ▶ Merida is in the center of the Brahma cattle production area in the southeast of Mexico. There are many similarities to the environments and breeds in the states of Yucatan and Louisiana. Through the close contact of our marketing representative in Merida, Louisiana ranchers have developed beneficial relationships, research projects, and made sales to their counterparts in Mexico.
- ▶ Merida is close to several tourist centers such as Cancun, Cozumel, Hol Box, Playa del Carmen, and Eco-tour destinations such as Chichen-Itza. More than 12 million tourists visit Cancun each year, driving a large food service (HRI) industry, generating demand for our HRI producers.
- ▶ Merida is an import center for Southeastern Mexico and imports products for the entire region.
- ▶ Mexico City is the largest city in the world, and we determined that it was impossible for one person to make an impact for our agricultural producers without substantial travel outside the city. We selected Merida as being more centrally located to meet our producer needs, particularly livestock and grain, and more centrally located for our food companies to serve the tourist centers in eastern Mexico and the Caribbean.
- ▶ Our marketing specialist in Merida is truly a specialist in Louisiana's agriculture and food industries, and is able to tightly focus on assisting Louisiana exporters in selling to Mexico, particularly Southeastern Mexico. This assistance is not limited to locating buyers, but includes a whole array of specific services, such as customs matters, health inspections, label clearances, and freight forwarding.
- ▶ Through our office in Merida, the Department is prepared to service not only Mexico, but we are in an excellent location for our future market development activities in Central America and the Caribbean.
- ▶ It is impossible to combine the workload of the offices in Merida and Mexico City, as staff in both offices are fully employed and working in limited office space. Combining these offices and workloads would require the present staff level (two) and increased office space to accommodate extra person and workload. No, or at best, nominal savings would occur if these offices were merged into one, and the state would lose the advantage of operating in two separate and distinct parts of Mexico.

Dr. Kyle  
March 15, 2000  
Page 5

### Indian Creek Recreational Area

The following comments address the finding related to our agency and the Indian Creek Recreational Area, which is a part of Alexander State Forest. I would like to address inaccuracies in the report itself and also comment on the findings and recommendations which we feel are not in the best interest of the state.

In the chapter furnished to us for review, the information about our Department is incomplete and inaccurate. The report states that "the purpose of the Forestry Commission is to maintain and sell timber." First, there is an entity in state government called the Louisiana Forestry Commission. It is a seven member advisory, oversight, and regulatory panel appointed by the governor to provide direction to the Office of Forestry within the Department of Agriculture and Forestry. The independent state agency known as the Louisiana Forestry Commission was phased out in the late 1970's when it was merged into the Department of Natural Resources, and later transferred to the Department of Agriculture in the mid-1980's. It is now the Department of Agriculture and Forestry, Office of Forestry.

It is not clear from the report whether the reference was to the advisory commission or to the agency. Regardless, the "purpose" of the agency far exceeds maintaining and selling timber. The agency's statutory responsibility is to "protect, conserve, and replenish the forest resources of the state." We fulfill this responsibility on all forest lands within the state, whether state-owned or privately owned, through efforts in fire control, forest management, natural resource conservation education, and a host of other activities. We also manage Alexander State Forest.

Forest conservation involves professional management and wise use of a forest resource to provide wood, wildlife, clean water, recreation and aesthetics. As the state agency responsible for forest conservation, we assist and encourage all forest landowners to manage their forest resources to maximize the mix of all these possible benefits. On the state's only state forest, Alexander State Forest, we, of course, manage that public resource for the best possible benefit to the state. A key part of that forest conservation and management program on the State Forest is public recreation. We were a cooperator in the establishment of Indian Creek Lake which borders much of the State Forest, and over the years, have improved Indian Creek Recreation Area to enhance the recreational opportunities and benefits of the State Forest.

The report presumes that some efficiency would be gained by combining our Recreation Area into some other state agency. A more detailed study of our operations would have proven that presumption to clearly be in error. As stated in the report, Indian Creek Recreation Area is run entirely on the receipts from the users of the facility; no state general fund money is spent at the complex. All of the employee salaries and other operating expenses are paid from this

Dr. Kyle  
March 15, 2000  
Page 6

self-generated revenue. The staff that is paid from this revenue is a small group of full-time and part-time employees who work entirely within the park itself. We believe that further examination will show that the Indian Creek staffing levels and expenses are much lower than any other comparable facility.

All administrative support for the park operations is accomplished by existing Office of Forestry and Office of Management and Finance staff. The Recreation Area is a small portion of their workload, and none of that staff could possibly be reduced if the Recreation Area was removed from their responsibility. The on-site Park Manager is the senior employee who is directly tied to Indian Creek. No off-site or higher level employees on the agency payroll have more than a small portion of their workload generated by the Recreation Area.

To summarize, it appears evident from the report itself and from the proposal generated by it, that you had a lack of factual information about Indian Creek Recreation Area and its operations. We firmly believe that the park's efficiency, popularity, public enjoyment and management would not be improved in any way through a consolidation with other recreational efforts within state government. Additionally, we believe it is fully within the statutory authority, responsibility and ability of this agency to manage Alexander State Forest professionally, which includes a strong forest recreation component.

If you have questions relative to my comments, please contact me, or the Assistant Commissioner of the Office of Marketing, Bryce Malone (922-1277), the Assistant Commissioner of the Office of Forestry, Paul Frey (925-4500), or the Assistant Commissioner of the Office of Management and Finance, Skip Rhorer (922-1255).

Sincerely,



Bob Odom  
Commissioner

BO:sw

Response of the  
Department of Culture,  
Recreation and Tourism

(See Chapters 13 and 14.)



KATHLEEN BABINEAUX BLANCO  
LIEUTENANT GOVERNOR

**State of Louisiana**  
OFFICE OF THE LIEUTENANT GOVERNOR  
DEPARTMENT OF CULTURE, RECREATION & TOURISM  
OFFICE OF THE SECRETARY

PHILLIP J. JONES  
SECRETARY

March 29, 2000

Dr. Daniel Kyle  
Legislative Auditor  
Office of the Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

RECEIVED  
LEGISLATIVE AUDITOR  
00 MAR 29 PM 2:04

Dear Dr. Kyle:

The staff of the Department of Culture, Recreation and Tourism has reviewed the draft of your performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments and we would like to offer the following comments and observations.

In the section of Chapter 14 entitled "Two Museum Programs Overlap," the report clearly indicates the difference between CRT museums whose mission emphasizes "the history, art and culture of Louisiana" from those in the Department of State whose mission stresses "...her form of government, her unique politics, her technology, and her natural habitat...." In addition, the Office of State Museum heavily depends upon traveling exhibitions, the Internet, and extensive programming to fulfill our mission and this agency has a full-time curator of Statewide Services traveling throughout Louisiana assisting small museums on a regular basis. It can be argued, therefore, that the missions of these two agencies are not identical and rarely overlap, if at all. Most, if not all, of the Department of State's museums focus on a particular segment of Louisiana history whereas, with the exception of our Patterson facility, the Office of State Museum's exhibitions and programs are more broad based.

On paper, it might appear that combining the two operations into one makes sense and might save money. In practice, that fact that the Office of State Museum is accredited by the American Association of Museums is extremely important. All museums should strive for such status which is accomplished only after a very detailed self study followed by peer review and examination by senior museum professionals of the total operation. At the present only twelve museums in Louisiana are accredited, including the Louisiana State Museum. Such status is difficult to attain and maintain, but it is highly desirable in the museum profession.

Dr. Daniel Kyle, con't

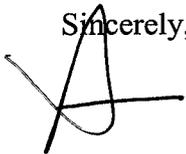
Page 2

To legislatively mandate that AAM standards are no longer required would be a severe blow to the State Museum which would not be supported by the administration of this department or the State Museum Board of Directors. It is doubtful that AAM would allow a two-tier system. Rather, all museums in the state should be encouraged to be accredited just as hospitals, colleges and universities, etc. are accredited. It is expensive and time consuming to bring programs and facilities up to the level mandated by AAM, but the results are clearly worth it.

For the reasons stated above, we do not believe that a merger of the museums under one department would result in any significant cost-savings. Additionally, since it would be very costly to bring the other museums up to AAM standards, it would place the Office of State Museums in jeopardy of losing its accreditation.

Thank you for the opportunity to review this report. If you need any further information or would like to discuss this further, please do not hesitate to call me at (225) 342-8201.

Sincerely,

A handwritten signature in black ink, appearing to be 'Phillip J. Jones', written over a horizontal line.

Phillip J. Jones  
Secretary

c: James Sefcik, Assistant Secretary  
Janice Lansing, Undersecretary



KATHLEEN BABINEAUX BLANCO  
LIEUTENANT GOVERNOR

**State of Louisiana**  
OFFICE OF THE LIEUTENANT GOVERNOR  
DEPARTMENT OF CULTURE, RECREATION & TOURISM  
OFFICE OF STATE PARKS

PHILLIP J. JONES  
SECRETARY

DWIGHT LANDRENEAU  
ASSISTANT SECRETARY

March 21, 2000

Dr. Daniel Kyle  
Legislative Auditor  
Office of Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The staff of the Office of State Parks has reviewed the draft of your performance audit report on the overlap, duplication and fragmentation between executive branch departments and concur in general with the findings involving recreational areas. There are some duplications of effort by the four named departments which undoubtedly result in some increase in costs. A management plan for recreational sites could enhance coordination and improve the efficiency of providing service to the public.

The Department of Culture, Recreation and Tourism, Office of State Parks would be a willing participant in the development of a management plan for recreational sites. As the reports indicate, the four departments have unique missions. Any management plan which will be used to direct the outdoor recreation offerings of the state should begin and be consistent with these missions.

In terms of the recreational offerings of the Office of State Parks, a set of standards has been developed which identifies the criteria which must be met for a site to be considered for inclusion within the system. These standards are in keeping with the Agency's mission and should also be key elements in the development of the overall management plan.

We look forward to having the opportunity to work with your agency and the other departments mentioned in the report in the development of the management plan for recreational areas.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwight Landreneau".

Dwight Landreneau  
Assistant Secretary

DL:cm

Response of the  
Department of Economic Development

(See Chapters 2 and 12.)

MAR 21 PM 2:58



M.J. "Mike" Foster, Jr.  
Governor

Kevin P. Reilly  
Secretary

March 20, 2000

Daniel G. Kyle, PH.D., CPA, CFE  
Office of Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

In response to the performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments, the Department offers the following comments:

**Chapter 2: Coordination of Workforce Preparation Programs  
Two Departments Offer Customized Job Training Services to Businesses**

The first year in operation for the Department of Economic Development (DED) workforce training fund was 1996/97. The rules establishing the program state that the purpose of the program is to develop and provide customized workforce training programs to existing and prospective Louisiana businesses as a means of improving the competitiveness and productivity of Louisiana's workforce and business community and assisting Louisiana businesses in promoting employment stability. The rules further state that training to be funded can include pre-employment and on-the-job (and/or upgrade) training. At the time, DED's training funds were the only available assistance to companies either moving a company to the state or already existing Louisiana companies.

When the Department of Labor's (DOL) training fund was established in 1998, the Governor's office along with the Workforce Commission, met with both agencies to define clear objectives for each fund to assure that any possible duplication would be eliminated. Many meetings were held and beginning in FY 99/00, the objectives were put in place. Even though DED's rules cover any type of training, the Department has focused on the objectives established in these meetings.

The following are some of the different objectives:

DED's training fund is used as part of the state's business recruitment activities and a key element of the state's economic development marketing-related effort. Being able to guarantee training for workers for a new operation is a crucial element when competing with other states for the location of a company. DED's funds are offered to companies located outside of Louisiana locating a facility within the state, companies expanding within the state by an additional location in a new area and existing Louisiana businesses that have been operating less than three years.

DOL's training fund is designed to upgrade workers in an existing Louisiana company with the aim of improving the workers' skills thereby increasing the competitiveness of these Louisiana companies and opening up more entry level jobs. In order to qualify for Labor's funds, a company must have been operating in the state for 3 years or more.

There have been occasions when a company may access the programs of both agencies, but only if it is considering expanding its operations and creating a new product line (along with creating more jobs) while at the same time upgrading the existing workforce at an existing Louisiana site or to avoid a complete closure of a company. If this type of situation arises, DED & DOL staff meet together and develop a comprehensive plan to determine which funds are allocated from each department for each section of the company's training plan.

Also, the legislative auditor's report included the mention of monitor awards paid to outside entities during FYE June 30, 1999 to be \$195,000 (\$200,000 was cited in the report on a previous page) and that Labor uses its own in-house monitors at an annual cost of \$60,000. The amount paid by DED for monitoring awards was only \$43,691 for FYE June 30, 1999. The FY 98-99 administrative costs for the in-house staff (1.67 positions) that are responsible for determining the eligibility of the applications for the Workforce Development Training Program was \$59,609. As of the end of FY 98/99, DED ceased to fund outside monitoring entities and was in the process of creating two in-house positions whose monitoring responsibilities would have included not only the Workforce Development Training Program but also the Economic Development Award Program and the Ports Development Program. However, creation and filling of these positions have been placed on hold due to proposed changes for revamping the State's economic development initiatives.

Regarding the two projects referred to in the report which stated that two companies received awards from both agencies, it should be pointed out that at the time DED awarded Bollinger Shipyards a grant, the DOL fund did not exist and rules were just being promulgated. Frank's Casing had just discovered a potential competitor in Houston and needed training immediately for 34 workers with the remaining workers to be trained at a later date utilizing the DOL's fund.

The Department feels that if the training activities were to be consolidated into one agency and based on the number of Workforce Training contracts, additional monitors will still be required to provide adequate oversight of these programs. In addition, one agency having to request funding from another agency would almost certainly delay and complicate the process. In the case of DED, it is critically important that we know definitively that funds are available before we can assure a prospective industry that we can underwrite training on a new workforce.

## **Chapter 12: Marketing Louisiana-Grown Products**

The Department promotes the services and manufactured goods of Louisiana companies. DED does not promote raw agriculture or aquaculture products, per se, as does the Department of Agriculture and Forestry (DAF). DED does, as part of its overall responsibilities to Louisiana manufacturers, promote food-related items that have been processed into consumer products, such as Elmer's Gold Brick Eggs and Tony Chachere-brand seasonings. Almost the only time there is an "overlap" with DAF activities is as a result of DED's arrangement with the Japanese External Trade Organization, which has assigned a senior trade advisor to work with DED. His job is to promote the sale of all kinds of Louisiana goods, products, and services in Japan. Because of this arrangement, DED jointly

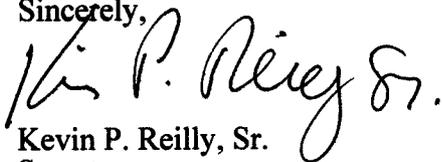
participates with DAF in a food-related show in Japan each year. Occasionally, DED's foreign offices will assist a food related company, if requested. DED has never been involved in the promotion of the sale of alligator skins, only in efforts to attract manufacturers of leather products to the state to utilize such skins.

The operations in Mexico of DED and DAF do not overlap. The DED office in Mexico interfaces with Mexican state governments and occasionally works on projects in other Latin American countries. However, its principal responsibilities are to assist Louisiana companies seeking to do business in Mexico, including finding markets for their goods and services, and assisting in locating sales representatives and/or joint-venture partners. It also assists Louisiana ports and airports in their efforts to attract Mexican cargoes and passenger service, and Mexican firms in their efforts to establish business offices in Louisiana.

The DAF office in Mexico is located in Merida. Merida is an agricultural and cattle-raising region approximately as far from Mexico City as Baton Rouge is from Chicago. The principal responsibilities of the DAF office are the sale of Louisiana cattle and other agriculture-related products and services.

If you have any questions regarding the responses to the performance audit report, please call Harold Price at 342-5361 or Darlene Richard at 342-4927.

Sincerely,



Kevin P. Reilly, Sr.  
Secretary

c: Harold Price  
Darlene Richard

Response of the  
Department of Environmental Quality

(See Chapter 11.)



# State of Louisiana

## Department of Environmental Quality



M.J. "MIKE" FOSTER, JR.  
GOVERNOR

J. DALE GIVENS  
SECRETARY

March 22, 2000

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle:

Earlier this month I received a letter from your office regarding the performance audit report being prepared relative to executive branch departments. The report is in draft format and you have solicited comment. Chapter 11 of the report suggests overlap between the Department of Environmental Quality (DEQ) and the Department of Public Safety (DPS) relating to computer systems that collect and store data. Overlap related to inspection of hazardous materials facilities is also discussed in the report. I have reviewed the report and the following comments are offered:

### **Tools for Environmental Management and Protection Organizations (TEMPO)**

The report indicates that DEQ is currently in the process of implementing an in-house database called TEMPO. It is important to emphasize that TEMPO is not simply a 'database' used for data collection and storage. It is the hub of DEQ's new Integrated Data Management System. It serves as the connection between the Imaged Document System, the GIS component (TerraBase), and our Laboratory Information Management System. TEMPO affords DEQ the ability to consolidate approximately 150 special use, multi-formatted systems into one super-system. The functionality within the system allows DEQ to:

- Maintain all facility (known as 'Agency Interest' in TEMPO) related data in one location
- Generate and issue permits, registrations, certifications, and licenses
- Generate compliance evaluations
- Generate and issue enforcement actions
- Track the progress of tasks involving permitting, surveillance, enforcement and remediation activities
- Accept electronic submittals of permit applications, discharge monitoring reports, toxic release inventory reporting, emissions inventory, and others.
- Enter and track all incidents, complaints, spills, and emergencies
- Generate invoices for all activities
- Track payment of invoices
- Link all imaged documents relevant to a given activity
- Link all GIS views connected to a given activity



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OFFICE OF THE SECRETARY P.O. BOX 82263 BATON ROUGE, LOUISIANA 70884-2263  
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Daniel G. Kyle  
Page 2 of 2  
03/22/00

The design phase for TEMPO began in March of 1998 and the implementation phase began on December 1, 1999. The total cost for the design and implementation of TEMPO is 3.68 million dollars.

Although the submittal of Tier II information may be required during the permit application process, currently there is nowhere in TEMPO where DEQ registers the chemical inventory relevant to Tier II reporting for Agency Interests. This information is not captured by DEQ because the legislature placed responsibility for that part of this program with the DPS. The recommendation that the DPS Right-to-Know unit and DEQ work together to combine their data collection functions through computer interfacing will be investigated to see what may be accomplished in this regard by meeting with DPS. DEQ and DPS already have arrangements whereby DPS serves as the primary point of contact for spill reporting (particularly in regards to emergency conditions) and DPS also provides after-hours telephone support by answering DEQ's 'Hotline' after-hours and on weekends. In addition, DEQ is an active participant in the statewide two-way radio system operated and maintained by DPS. It may be possible that our TEMPO system could be enhanced to accommodate the information now collected by DPS.

#### **Inspections conducted by the DEQ**

On page 84 of the report, the statement that the Office of Environmental Compliance's 200+ inspectors conduct over 1000 facility inspections annually is off by a factor of 10. The OEC inspectors conduct over 10,000 inspections annually. Specifically, the count this year is 11,169.

Inspections performed by the two Departments focus on different federal and state law. The DEQ is primarily inspecting sources for compliance with state law and regulation that are supported by the Federal Clean Air Act Amendments of 1990, the Clean Water Act, and the Resource Conservation and Recovery Act. The DPS inspections relate to the Emergency Planning and Community Right-to-Know Act and related state requirements.

Thank you for providing me the opportunity to comment on your report. Please contact me should you have any questions.

Sincerely,

  
J. Dale Givens  
Secretary

JDG/NCR/ncr

c: Office of Environmental Quality

Response of the  
Governor's Office of Disability Affairs

(See Chapter 2.)



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

State of Louisiana  
OFFICE OF THE GOVERNOR  
Baton Rouge

70804-9004

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POST OFFICE BOX 94004  
(504) 342-7015

March 15, 2000

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
1600 North Third Street  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle,

I have received and reviewed a copy of the performance audit dated March 3, 2000. This audit made several references to the Governor's Office of Disability Affairs and disability related issues. All of the information stated in the report is true and correct to the best of my knowledge. I am actually pleased that the auditors conducting the report were able to pick up on some of the core problems relating to the disability community.

The report mentions several recommendations that I would like to respond to. They are as follows:

"2.1. Agencies serving the disabled population should review the written agreement regarding supported employment for consumers. There is a need for better coordination between the agencies to improve customer service and efficiency in spending.

2.2. The Governor's Office of Disability Affairs should review state and federal regulations on eligibility requirements for service to the disabled, especially regarding age. More uniform requirements could help minimize gaps in services for the disabled."

The Governor's Office of Disability Affairs is currently working on a strategic plan to address some of these major issues in this state. As part of our strategic planning efforts, we are holding a series of 10 public forums throughout the state in the month of March. The first forum was held on Thursday, March 9<sup>th</sup>. This forum yielded information regarding many gaps in services and also generated ideas for resolution. In the beginning of April, the information from each of the forums will be synthesized and a report will be generated. This report will guide our efforts in planning.

The performance audit also mentions "matters for legislative consideration," and specifically mentions the possibility of a "single point of entry". This was one of the major issues that materialized at the public forum held on March 9<sup>th</sup>. I have begun gathering information from other states to serve as a model for Louisiana in regards to a single point of entry. I would be willing to share my findings with members of the legislature, or individuals from your office, in the hopes that we can work together to accomplish this goal.

If I can be of further assistance, please do not hesitate to contact me. I can be reached at 219-7547.

Sincerely,

A handwritten signature in black ink that reads "Laura Brackin". The signature is written in a cursive, flowing style.

Laura Brackin, Executive Director  
Office of Disability Affairs

Response of the  
Louisiana Commission on  
Law Enforcement  
and Administration of  
Criminal Justice

(See Chapters 3 and 5.)



M. J. "Mike" Foster, Jr.  
Governor

State of Louisiana  
OFFICE OF THE GOVERNOR  
Louisiana Commission on Law Enforcement  
and Administration of Criminal Justice

Michael A. Ranatza  
Executive Director

March 14, 2000

Dr. Dan Kyle, PH.D., CPA, CFE  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Re: Performance Audit Report on Executive Branch Departments

This letter is in response to your findings and recommendations on the Performance Audit Report of Executive Branch Departments regarding portions of the report pertaining to the Louisiana Commission on Law Enforcement (LCLE).

YOUTH DRUG ABUSE PREVENTION PROGRAMS

Recommendation 3.1 - The Governor's Office services should be coordinated with Health and Hospitals as well as the Commission to complement one another rather than overlap or duplicate the others.

1. The LCLE has, and continues to coordinate efforts with the Drug Policy Board. The LCLE has been a member of this Board since it was formed, and the LCLE regularly has representation at these meetings. Information on LCLE programs and funding has been provided to the Board since its inception.
2. Since the inception of the funding of DARE with state monies, the appropriation of \$4.3 million has not grown, even though the LCLE has requested increases for each of the past five (5) years. Because the funding has not kept pace with the demand for DARE growth and expansion, each year the LCLE has tightened the limits on allowable costs to contain the DARE program within the state appropriation. The fact that agencies may also receive DARE monies from another source does not necessarily mean that there is duplication of effort, since the LCLE is not able to provide the total support for each DARE project.

Recommendation 3.3 - The funding sources for youth drug abuse programs could be combined or funneled through one agency to increase efficiency and save on administrative costs.

1. The LCLE does not concur with this recommendation. The LCLE has been integrally involved with the statewide DARE effort for a decade. Because the DARE program is a law enforcement effort, and because, by definition, DARE officers are law enforcement officers, the LCLE is the appropriate agency to continue to oversee the funding and monitoring of state-funded DARE programs. Having DARE under the auspices of the LCLE enables us to coordinate DARE with our other criminal justice efforts and activities. Having oversight for state-funded DARE in another agency would fragment the criminal justice approach that the LCLE provides. The LCLE understands the program, the grants process, and oversees the State DARE Training Center.

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2. The LCLE utilized \$118,000 for administrative purposes, 2.7% of the fund. The total amount of administrative cost savings is not quantified in the recommendation of the audit report. The LCLE is equipped to process and monitor hundreds of state and federal grants each year. Transferring this function to another agency where the programmatic, accounting, and grants functions are not highly developed, and where staff would not have the long-standing experience that the LCLE has with DARE, we believe, would not result in a cost savings.

#### BATTERED WOMEN'S SHELTERS

Recommendation 5.1 - The legislature may wish to consider establishing a single agency to fund and monitor battered women's shelters.

1. The LCLE does not concur with this recommendation. While three agencies may provide funding to battered women's shelters, the LCLE provides funding for these shelters through two Department of Justice Federal Block Grant Programs: Violence Against Women (VAWA) and Crime Victim Assistance (CVA). These two block grant programs are administered by the LCLE because the focus of these programs is on serving victims of crime and providing a response to women who are victims of violent crimes. The VAWA Federal program mandates that an overall criminal justice approach to violence against women be funded in each state by requiring the funding of law enforcement, prosecution, and service programs. The CVA Federal Program requires that victims be served through a comprehensive, coordinated approach, and requires the funding of victims of child abuse, spouse abuse, sexual assault, and previously underserved victims. Battered women are only a small part of the "service" mandate of both of these Federal programs.

Only the LCLE, as a leader in criminal justice programs and responses, is in the unique position to respond to all mandated recipients of these two Federal programs. Neither of these federal programs are "battered-women specific", but battered women are considered a component of both programs as part of the overall state response to victims and violence against women. Since both of these programs are received by the LCLE as a block, any funds that the LCLE may direct to battered women is a part of that block. This block must be applied for and administered as a single program. Historically, LCLE is the agency that administers federal block grant programs through the Department of Justice. The separation of these services from the LCLE is not possible since the funds are part of a block. Separation of a segment of services from our block grant would disrupt LCLE's comprehensive criminal justice approach, thus fragmenting the criminal justice system.

2. In the findings *Fragmented Function Leads to Higher Administrative Costs*, it is reported that the State is spending more in administrative costs than is necessary...we could not quantify specific savings...however we believe cost savings would be realized simply by having one agency responsible for distributing funds to battered women's shelters."

The LCLE does not concur with this argument. The responsibilities and functions attached to administering these federal programs is more complex than simply passing funds through to agencies. The LCLE has a long-standing history and statewide working relationship with all components of the criminal justice system, including victim service providers. Additionally, the LCLE has an established grants management information system and process, and has programmatic, monitoring, audit, accounting, and grants, expertise in oversight with regard to federal grant programs. Consequently, consistent with our response to the DARE recommendation above, transferring this function to another agency would not result in a cost savings.

Dr. Dan Kyle  
March 14, 2000  
Page 3 of 3

The LCLE remains the appropriate agency to oversee and administer the VAWA and CVA federal block grant programs from the Justice Department, and is the best agency to respond to the criminal justice effort mandated by these programs, and remains committed to serving victims, and women who are victims of violent crimes.

Please contact the undersigned if there are any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Ranatza". The signature is written in a cursive style with a long horizontal flourish at the end.

Michael A. Ranatza  
Executive Director

Response of the  
Governor's Office of Women's Services

(See Chapters 4 and 5.)



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

State of Louisiana

OFFICE OF WOMEN'S SERVICES

1885 WOODDALE BLVD., 9TH FLOOR-P.O. BOX 94095  
Baton Rouge, LA 70804-9095  
(504) 922-0960  
FAX (504) 922-0959

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VERA CLAY  
EXECUTIVE DIRECTOR

March 13, 2000

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
1600 North Third Street  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Thank you for the opportunity to respond to the Performance Audit of the Governor's Office of Women's Services (OWS) conducted by your office. Overall, I find the audit results very professional, balanced, fair and comprehensive. The following is an effort to address the areas of concern that were mentioned in your report:

**Section: Areas for Further Study, Number 4., Grant Programs, Page 10 -**

**"We noted several state departments in this report that award monies for such purposes as teen pregnancy prevention programs, battered women's shelters... The legislature may wish to direct a study of all programs where state departments contract out their statutory duties."**

**Response: The OWS contracts with community-based organizations (CBOs) to deliver services because this is the most cost effective way of fulfilling our mandate to provide services for teen pregnancy prevention and to battered women. These CBOs must find additional revenue to run their programs beyond state dollars because there aren't enough state dollars to effectively run the programs. If the state had to pick up the full cost of running battered women's and teen pregnancy prevention programs, OWS costs would triple or quadruple in each program category. In addition, the trend for effective service delivery is to empower community groups to provide services within their community through partnerships. The quality of services is high because of strict monitoring and reporting practices spelled out in the OWS contracts. Accountability is paramount. OWS prides itself on high standards and strict accountability through regularly scheduled meetings and site visits as well as monthly program and cost reports required in OWS contracts.**

**Section: Teen Pregnancy Prevention, Chapter 4, Recommendations, Page 10 - 4.1 "...the Department of Social Services and Office of Women's Services should require all contracted programs to list all funding sources on the RFP's. Both agencies should coordinate their funding efforts."**

**Response: The OWS will add the request for all funding sources to its RFP. In addition, we will contact DSS and suggest a method to coordinate funding efforts.**

**4.2 "The Office of Women's Services and Department of Social Services should expand their programs to include other areas of the state and provide more equitable service to the citizens of Louisiana."**

**Response: The reason OWS concentrated its efforts in New Orleans was, in part, because of the possibility of an additional monetary award of 20-million federal dollars to our state if teen pregnancy could be reduced in New Orleans by 2%. Unfortunately, that goal was not reached. In the future, the OWS will create a statewide RFP.**

**Matter for Legislative Consideration, Page 40 - 4.1 "The legislature may wish to consider consolidating the funding for teen pregnancy prevention programs into one department."**

**Response: The OWS concurs with this recommendation to consolidate funding and monitoring into one agency. The OWS is the appropriate agency for the following reasons: Teen pregnancy prevention is within the Mission of this agency. In addition, the OWS has worked in the area of teen pregnancy prevention for 16 years, longer than any other state agency. We also have an extensive history of working with community based organizations (CBOs) which gives us a proven track record as well as processes and procedures for working in partnership with teen pregnancy prevention programs. Members of the OWS staff have attended appropriate national meetings to learn best practices in teen pregnancy prevention efforts. We have held regularly scheduled meetings to share best practices with executive directors and have purchased current research material for teen pregnancy prevention programs. Our plan is to capture longitudinal data from the programs and hire an outside evaluator in order to track program effectiveness and use this information in funding decisions.**

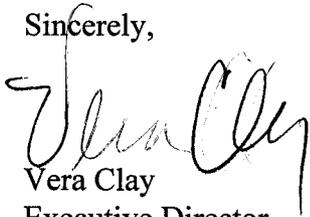
**Section: Battered Women's Shelters, Chapter 5, Matter for Legislative Consideration, Page 44 - 5.1 "The legislature may wish to consider establishing a single agency to fund and monitor battered women's shelters."**

**Response: The OWS concurs with the recommendation to consolidate funding and monitoring in one agency. The OWS is the appropriate agency for this designation. First and foremost, services to battered women and their children are within the Mission of this agency. The OWS has been working with Battered Women's Shelters for over 20 years, longer than any other state agency. The OWS is the primary funding source at the state level for battered women's programs — on average 40% of funding for Battered**

**Women's Shelters comes from the OWS. This funding is mandated in the OWS legislation. The OWS has a well-established record and long history of on-site fiscal and program monitoring of shelters. A 3-person unit in the agency is devoted to this work. Battered women's shelters look to the OWS for technical assistance and expertise in the field of family violence. Shelters see the OWS as having a high level of commitment to the battered women's movement, with appropriate contacts at the national level to fully support this critical work. The OWS is also a long-term partner with the Louisiana Coalition Against Domestic Violence (LCADV), and works with the Coalition to maintain high quality service delivery at the family violence programs.**

Thank you again for allowing us to respond to the Performance Audit conducted by your office. Should you need further information, please don't hesitate to be in touch.

Sincerely,



Vera Clay  
Executive Director  
Governor's Office of Women's Services

/VC

legaudr.ltr

Response of the  
Louisiana Workforce Commission

(See Chapter 2.)



# State of Louisiana

OFFICE OF THE GOVERNOR

Baton Rouge

70804-9004

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

POST OFFICE BOX 94004  
(504) 342-7015

March 15, 2000

Daniel G. Kyle, Phd., CPA, CSE  
Legislative Auditor  
1600 N. Third Street  
Baton Rouge, LA 70802

Dear Dr. Kyle:

The Workforce Commission is pleased to submit this response to the preliminary draft of the audit on overlap, duplication and fragmentation in the Executive Branch. Since a major responsibility of the Workforce Commission is coordination, our staff convened representatives of the cited departments to discuss coordination efforts. Our entities shared thoughts about how we might best address the concerns of the audit.

## Chapter I - Introduction

### Strategic Planning

- Based upon strategic planning for workforce development done by the Workforce Commission and ongoing discussions with the Economic Development Commission and 20/20 around coordination issues, we too believe state-level strategic planning is valuable.

## Chapter II - Workforce Preparation Programs

### Stated Overlap

1. DSS and DOL prepare welfare recipients for the workforce.
2. DSS and DHH provide evaluation, job training, and supported employment to disabled citizens.
3. DOL and DED give money to businesses to develop customized training programs for their employees.

Act 1 of the 1997 Legislature (LRS23:2055,2071) establishes the Louisiana Workforce Commission for the purpose of "developing a strategic state plan that will coordinate and integrate the workforce development system." Act 1 provides that the Commission will "coordinate with the affected state agencies and workforce development entities the integrated delivery of all education, training, and employment, apprenticeship, and related programs to eliminate needless duplication and assure the efficient and effective provision of these services."

In stated instances of overlap 1 and 3 above, the Workforce Commission has, since its formation in August 1997, played a role in convening the partners listed above to work on better coordination of efforts. The Commission believes that coordination among state workforce agencies/programs has greatly improved during the last three years. The Commission also works on workforce coordination issues with agencies/programs outside the Executive Branch, such as DOE, Regents and local governments. All agencies have been requested to meet and establish coordination wherever possible.

1. **DSS and DOL prepare welfare recipients for the workforce.** - In 1997, the Workforce Commission convened the Departments of Labor and Social Services to collaboratively write Louisiana's Welfare-to-Work State Plan in an effort to avoid duplication of services and to better coordinate programmatic functions. These efforts resulted in Louisiana being the first state in the nation selected to receive Welfare-to-Work grant funds (\$24m in FY '97-'98). The Department of Labor was designated as the fiscal agent of the funds and both departments agreed to share programmatic functions.

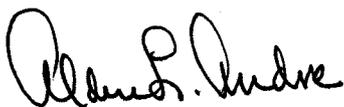
The Commission receives periodic updates on the status of these funds and their interrelatedness with Louisiana's welfare reform efforts. For example, a welfare reform update was given by the Department of Social Services at the Commission's February, 2000, meeting. A Welfare-to-Work update has been scheduled for the April, 2000, meeting.

2. **DSS and DHH provide evaluation, job training, and supported employment to disabled citizens.** - The Commission has begun discussions with the Office of Disability Affairs to ensure that there are adequate efforts to coordinate disability programs. We recognize this as an issue of coordination within the Governor's Office. Laura Bracken, Disability Affairs Director, has asked for a joint meeting to discuss the development of an Employer Advisory Network.
  
3. **DOL and DED give money to businesses to develop customized training programs for their employees.** - Since 1997, the Workforce Commission and its staff have worked with DED and DOL to define and eliminate duplication and overlap, first between the DED fund and JTPA, and then between the two training funds. By statute, each program can train incumbent workers. After extensive talks, it is agreed that DED will now train for companies located outside of Louisiana moving to the state, companies expanding within the state by adding a location in a new area and existing Louisiana businesses that have been operating less than three years, while DOL will train incumbent workers for existing employers who meet certain criteria and have been operating in the state three years or more. The agencies have created a folio of informational materials and a process that eliminates duplicative effort for the employer. Their staffs are cross-trained and updated periodically. The Commission believes that this joint work to define and inform has clarified the use of both funds. At the September 1999 Workforce Commission meeting, a joint presentation on the training funds was made by DED and DOL. Additionally, the Workforce Commission is currently working with both agencies to devise a format and reporting cycle that will provide clear, up-to-date information for all inquiries.

As long as funding streams--state or federal--remain separate and must adhere to different regulations, problems of duplication, overlapping, and fragmentation will persist. In these situations, the Workforce Commission convenes the partners involved and together examines what IS possible to deliver the best services to Louisiana's citizens.

Thank you for your hard work and for sharing the results. The Commission will carefully consider the audit as it relates to our work in progress. Please call our Director, Chris Weaver, 342-2094 if have questions or comments.

Sincerely,



Alden Andre  
Chair - Workforce Commission

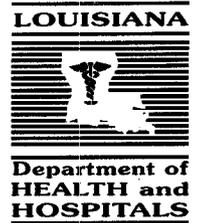
Response of the  
Department of Health and Hospitals

(See Chapters 2 and 3.)



M. J. "Mike" Foster, Jr.  
GOVERNOR

STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood  
SECRETARY

March 23, 2000

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
1600 North 3rd Street  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

I have reviewed the Performance Audit on Youth Drug Abuse Prevention Programs and have the following concerns:

1. Exhibit 3.1 is in error. It lists twenty-two million as prevention funding. This twenty-two million is for prevention and treatment. The Prevention Budget is twenty percent of the total Block Grant or four million three hundred thousand dollars.
2. On page thirty-one the statement of "duplicate efforts in the gathering of statistics through surveys in schools" is inaccurate. The Drug Policy Board is not surveying the schools. The Department of Education cooperated with the Office for Addictive Disorders and the Office of Public Health in conducting the "YRRS Survey". However, this survey only surveyed thirty schools. The "Risk and Protective Survey" was a joint effort between the Department of Education and Office for Addictive Disorders. It has a data base of 130,000 students and is the most comprehensive in the nation. The Survey also provides excellent data on students at risk for substance abuse. The study is essential in assuring research based prevention programs.
3. The statement on page thirty-one that "The State is spending more than it needs to educate youth about the dangers of drug abuse" is an understatement of the need. With all of the funding available, we can only reach a very small percentage of the children, who need education and prevention services.
4. The statement that "during interviews we noted that neither had knowledge of the funding priorities of others" is not accurate. The Office for Addictive Disorders is well aware of the priorities in other agencies.
5. This report also suggests that some programs are receiving duplicate funding for the same children. Many programs utilize various funding sources, but the total funding is necessary to adequately address the problem. The programs are not serving the same children.

6. Moving of safe and drug free schools to Department of Health and Hospitals, this was not my suggestion, but I would not be opposed to the move. It is combined currently in several states. It would improve coordination of the efforts. I agree that the Drug Policy Board is an excellent resource for coordinating resources. The legislation is excellent and provides for significant coordination. The problem of coordination is not unique to Louisiana. Many other states are experiencing the same problems. The Substance Abuse and Mental Health Administration has recognized this problem and has funded seventeen (17) states to develop this coordination with State Incentive Grants funded through the Office of the Governor. Our office will be submitting an application for funding in May, 2000 under this program.

The report also does not address the problem of different funding streams and separate requirements by the federal funding agencies. This problem is manageable, but it will require extensive research and organization to accomplish meaningful results.

I also agree that we need to improve our efforts in coordinating services. However, the suggestion that we are spending more than we need on alcohol and drug abuse prevention is a serious understatement of the problem. Seventy percent of juvenile and adult prisoners have substance abuse problems, eighty-five percent of child protection cases are alcohol/drug related, and sixty percent of all crimes are alcohol and drug related crimes.

Thank you for the opportunity to review this document. I would be happy to discuss my concerns with staff before preparation of a final report.

Sincerely,

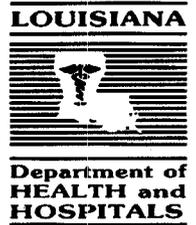
  
Alton E. Hadley  
Assistant Secretary

AEH:grn

c: David W. Hood  
John LaCour  
Charles Castille  
Stan Mead  
Michael Duffy



STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS



M.J. "Mike" Foster, Jr.  
GOVERNOR

March 23, 2000

David W. Hood  
SECRETARY

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Draft Performance Audit Report

Dear Dr. Kyle:

The only misstatement we can detect is the last sentence on page 17. The statement is "We noted that officials from both DHH- Mental Health and DHH-Developmental Disabilities reported there was poor coordination with DSS-Rehabilitative Services regarding referrals back and forth." Our Interagency Agreement Between OCDD and Louisiana Rehabilitation Services, show that referrals are made directly from OCDD or indirectly through Adult Program service providers. They conduct vocational screening to decide if the individual meets the referral standards for Louisiana Rehabilitation Services. During the past several years, DSS-Rehabilitative Services has experienced budgetary constraints that have resulted in an impact on referrals from OCDD and service providers. However, this situation has not been due to a lack of coordination by DSS-Rehabilitative Services.

If you need additional information, please advise.

Sincerely,

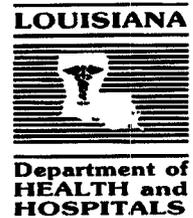
Bruce C. Blaney  
Assistant Secretary

BCB:rjs



M. J. "Mike" Foster, Jr.  
GOVERNOR

STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood  
SECRETARY

March 22, 2000

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The report of the Legislative Auditor contends that the Office of Mental Health participates in fragmentation of services within workforce preparation programs. Different activities are necessary to address the specific needs of the specific target population - in this instance, individuals with severe and persistent mental illness. The monies identified (\$763,000) were accurately described as providing the development of social skills necessary for job readiness. As far as we are aware, these services are not provided by either Vocational Rehabilitation or DHH-OCDD to the individuals served by the Office of Mental Health.

Sincerely,

Warren Taylor Price, Jr.  
Assistant Secretary

WTP/vrr

Response of the  
Department of Justice

(See Chapter 8.)



RICHARD P. IEYOUB  
ATTORNEY GENERAL

State of Louisiana RECEIVED  
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INVESTIGATION DIVISION  
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P.O. BOX 2391  
BATON ROUGE, LA 70821-2391  
Telephone: (225) 342-7536  
FAX: (225) 342-2079

March 21, 2000

Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Thank you for the opportunity to respond to the draft report concerning the performance audit on the "analysis of overlap, duplication, and fragmentation among executive branch departments."

This draft report concludes that because the Attorney General's Office and the State Police both conduct criminal investigations, "duplicative activities" result which "create inefficiency and increased cost to taxpayers." We cannot agree with this conclusion, as we are not aware of any evidence which might prove it to be true.

We would certainly maintain that our investigative operation is very efficient. While we do not speak for the State Police, in all probability they would maintain that they too run an efficient unit. To conclude that any cost savings would result from a combination of duties would assume that the work done by either the State Police or the Attorney General's Office is unnecessary and should be abandoned. If the same amount of work is to be completed there could be no reduction of manpower, the most costly resource. Certainly, the best interest of our citizens would not be served by any reduction in the criminal investigation effort.

We are unaware of any duplication of effort between our Investigation Division and the State Police. While we do the same kind of work in many instances, we do not work the same cases, except through a planned effort in a joint investigation. We do not agree with the contention that because both the State Police and our Department conduct criminal investigations, we duplicate each other.

Daniel G. Kyle, Ph.D., CPA, CFE

March 21, 2000

Page 2

A complete examination of law enforcement and criminal investigations in our state and country would reveal numerous cases of duplication, according to your assumptions. Beginning with municipal police through parish or county sheriff's offices, state law enforcement agencies, to federal law enforcement, any agency at any of these levels could investigate practically any particular criminal event assuming that it was within their geographical jurisdiction. As a practical matter, only one agency will investigate unless it is a joint investigation. This shared authority, or ability to investigate, does not in and of itself create duplication.

The principle of checks and balances is constitutionally inherent within our country. Planned redundancy was created purposely and has generally served us well. Extrapolation of your position would indicate that a national police force for the entire United States would undoubtedly be the most cost effective and efficient method of operation. We would then have no "duplication." Obviously, no one wants such a situation and we realize that is certainly not what you are suggesting. The point is, however, that the authority and ability of more than one agency to address the same type of matters is healthy. If necessary, for our citizenry, there is always an alternative.

The criminal investigation unit within the Louisiana Department of Justice has existed continuously for over twenty-eight (28) years, albeit enhanced under the administration of General Iyoub. Our Medicaid Fraud Control Unit was established in 1978 and has been recognized as being one of the best within the United States. We cooperate with local, state, and federal agencies. We coordinate activities and participate in joint investigations with many other agencies. We are a member of intelligence organizations designed to pool and share intelligence information. We regularly participate in intelligence exchange sessions throughout the state. We regularly communicate with other agencies to ensure that we are not becoming involved in a matter which they may already be investigating. These things are done to maximize our resources, avoid duplication, and to produce the greatest amount of success possible from our efforts. We try to take advantage of all available resources to ensure that the taxpayers are not paying for more than we are giving them in return.

We hope that you will realize some merit in the position which we have set forth in the letter. While we appreciate your offer to include our written response as an appendix to your report, we would prefer that you would see fit to change the conclusions which appear within the draft report and issue a final report setting forth that even though our Department and the State Police both conduct criminal investigations, we do not conduct duplicative investigations, and the state is suffering no harm. To the contrary, there is great public benefit to this healthy arrangement.

Daniel G. Kyle, Ph.D., CPA, CFE  
March 21, 2000  
Page 3

Again, thank you for this opportunity to express our views and rest assured of our continued cooperation in matters of mutual interest.

Sincerely,

A handwritten signature in black ink that reads "RmBlack". The signature is written in a cursive style with a large, sweeping initial "R".

R. M. BLACK  
Director  
Investigation Division

RMB/vs

Response of the  
Department of Labor

(See Chapter 2.)



**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

**M.J. "Mike" Foster, Jr.**  
Governor

**Garey Forster**  
Secretary

**OFFICE OF THE SECRETARY**

March 20, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804

Dear Dr. Kyle:

This is in response to your performance audit report on the (Analysis of Overlap, Duplication, and Fragmentation across Executive Branch Departments). I am specifically responding to the discussion and the matters for consideration that include Department of Labor programs in Chapter 2 entitled "Coordination of Workforce Preparation Programs."

Chapter 2 begins with a discussion of FIND Work (a Louisiana Department of Social Services Program) and Welfare-to-Work (a Louisiana Department of Labor Program). FIND Work is Louisiana's version of the job training component of comprehensive federal welfare reform legislation enacted in 1996. Following this enactment, the federal government became concerned that those welfare recipients who have the least skills, education, and employment experience and who live within high poverty areas may need additional assistance to obtain lasting jobs and become self-sufficient.

Congress passed subsequent legislation, a year later, authorizing the Secretary of Labor to provide WtW grants to state and local communities for transitional employment assistance. These grants were designed to move the hard-to-employ TANF recipients into unsubsidized jobs and economic self-sufficiency. By law, WtW dollars flow into the state, then 85% of the funds must be pushed out to the state's Private Industry Councils for programs at the service delivery level. The remaining 15% of the funds are to be used for state-level programs and for administration. This funding method and system for the delivery of services is the same as that for the Job Training Partnership Act.

When Louisiana submitted its application for WtW funding, there was much discussion at the cabinet level about whether the Governor should designate LDSS or LDOL as the state agency to administer the WtW grant. In the end, it was decided that LDOL would be the administrating authority for WtW, although all parties agreed that to be successful the departments would have to work together. This decision was consistent with that of Congress who selected the U.S. Dept. of Labor as the federal administrating authority instead of the U.S. Dept. of Health and Human Services. It was generally agreed that by doing so Congress intended for WtW to be more of a "work-focused" labor program than

a "assistance-focused" social service program. In addition, Congress established WtW as a temporary program, and because LDOL is the administering authority for JTPA, it already had the infrastructure and the relationships established with the Private Industry Councils that the WtW law required.

In 1999, Congress amended the WtW eligibility criteria to expand it to all long-term TANF recipients instead of only those recipients satisfying the hard-to-employ criteria. This expanded eligibility will be effective for state match money on July 1, 2000 and for the federal funds October 1, 2000.

Your audit identified three problems under the current system. The first was "administrative inefficiency" for which the example was provided that "one caseworker from each department must become familiar with the same client". As stated earlier, federal law requires that WtW dollars flow to the state's Private Industry Councils for delivery of services. Therefore, to have one caseworker for all employment related services, FIND Work dollars would also have to flow to the state's Private Industry Councils. If "administrative inefficiency" exists now, this would move it up one level by creating another level of state bureaucracy since LDSS would have to develop the subgrant monitoring, technical assistance and auditing infrastructure that LDOL presently has in place.

LDOL does not employ "caseworkers". The state's Private Industry Council's have always had case management as a part of their JTPA program. When the councils' began receiving WtW dollars, they began recognizing and incorporating FIND Work's Individual Responsibility Plan in place of JTPA's Individual Service Strategy to eliminate duplication and build upon the individual's progress made under the other program.

In addition, LDOL and LDSS have worked to improve efficiency in the present system by implementing on-line referrals and very recently making WtW participation a countable or sanctionable activity under FITAP. Finally, LDOL and LDSS are presently negotiating to increase their data sharing arrangements to enhance services delivered in both programs.

The second identified problem was described as a "disruption in services" since the TANF recipient "must access the same services from two entities during different time periods." As stated earlier, the programs are designed so that the "hard to employ" become eligible for services under WtW once they are no longer eligible for services under FIND Work. The programs were designed to work this way once it became apparent that, particularly with the long-term TANF recipients, it was unlikely that their first job would equate to self-sufficiency.

It is unclear to me why accessing the same service at a later time is a problem, particularly given that the service would have been mandatory under the first time period and voluntary for the second time period. Obviously, an individual's ability to learn and absorb can be different when she is participating in a mandatory activity as opposed to

one she voluntarily chooses. In addition, given that different individuals will react differently to the same situation, having a different service provider may be an asset. It seems logical to me that the reason the individual would need to access the same service a second time would be that the methodology employed in the delivery of the first service either did not work for her, or got her to a plateau that is still short of self-sufficiency.

The third identified problem was described as "increased costs" allegedly because LDSS and the Private Industry Councils are funding some of the same service providers. The audit does not explain how one administrating entity for FIND Work and WtW will reduce costs. The audit provides that the "two departments are issuing payments to the same providers for the same types of services." As stated earlier, 85% of the WtW funds are pushed out to the state's Private Industry Councils. Even if FIND Work was distributed in the same way as WtW, funds would have to be tracked and accounted for separately since these programs are funded by two different funding streams from two different federal departments. In other words, each program will still require separate reporting and accountability.

Regarding customized job training services to businesses, I strongly disagree that LDOL's Incumbent Worker Training Program (IWTP) and Louisiana Department of Economic Development's Workforce Development Program are duplicative.

LDED's program existed in the Louisiana Economic Development Council before it was placed in the department in 1997. At that time, it was the only business-driven job training program in the state and needed to be "all things to all people." In 1997, partially based upon the response to LDED's program, the legislature created LDOL's IWTP for which funding began in 1998.

As stated in the audit, LDOL's program is funded by a separation of funds from the collection of the state's unemployment tax (SUTA). These taxes are collected quarterly and the first collections for the program began in April of 1998. The first applications for funding were received by LDOL in late December 1998 and approved in early 1999. As stated in the audit, any business that has been operating in the state for three or more years and pays SUTA taxes may apply for a grant. The grant process provides for the business to select the entity to provide the customized training for their employees. By law, all disbursements must be made directly to the entity providing the training.

During 1998, LDOL researched rules and policies for implementing the IWTP. Several meetings were held between LDOL and LDED for LDOL to learn from LDED's experience in setting up and operating its program. During this period of time, it was decided that once LDOL's program became operational, LDED's program would be used for: (1) attracting new businesses to Louisiana; or (2) Louisiana businesses expanding to new locations in the state; or (3) Louisiana businesses expanding into new product lines. On the other hand, LDOL's program would be targeted for training of entry-level incumbent workers of Louisiana businesses to increase their skills, wages and promotional opportunities, to create jobs or to avert a layoff.

In addition, LDOL and LDED would exchange information on one another's programs, including JTPA and WtW, for each department to use in strategizing to solve a business' labor needs. Throughout 1999 and this year, LDOL (and its' subgrantees) and LDED have collaborated on several successful projects using multiple sources of funds.

For purpose of the audit, duplication is defined as "where two or more agencies/departments appear to conduct identical activities leading to the accomplishment of the same goal." Since 1999, LDED has considered their program successful, or meeting its goal, if as a result of the grant, the business chooses to locate in Louisiana, to open a new location in Louisiana or to open a new product line in Louisiana. LDOL considers its program successful, or meeting its goal, if as a result of a grant, the skills of Louisiana's workforce are upgraded, jobs are created or saved, and wages are increased. Neither department conducts customized training. Both departments fund customized training for businesses, but for different purposes or goals.

It seems entirely appropriate to me that LDED, in line with its mission, would have a customized training fund, over which they have control, to entice new businesses to locate or expand their operations in Louisiana. It also seems entirely appropriate to me that LDOL, in line with its mission, would have a customized training fund to improve the competitiveness of Louisiana's labor force by investing in the state's human capital.

The audit contends that some monitoring costs could be eliminated by consolidating the programs. Annually, LDOL's monitoring cost for the program is 1.2 full-time equivalent positions or \$60,000. According to LDED, its monitoring expenditures directly related to its program for FY99 were slightly less than \$45,000. Considering that the grants to be monitored include \$12.5 million, it seems unlikely to me that monitoring expenses could be reduced below \$105,000 and monitoring remain meaningful.

The audit contends that the state is incurring more administrative costs than necessary. In FY99, LDOL incurred approximately \$150,000 in administrative expenses. According to LDED, their administrative expenditures directly related to their program, for FY99, were slightly under \$60,000. It again seems unlikely to me that administrative expenses for a \$12.5 million program could be reduced below \$210,000 and adequate controls maintained.

The audit points out awards issued to the same companies. The audit also states that consolidation would improve efficiency and ensure that businesses can only receive grants from one source.

Bollinger Shipyards and Frank's Casing Crew did receive grants from both LDED and LDOL, but they did so during different time periods. The grants from LDED to both businesses were initiated at a time when their customized training fund needed to be "all things to all people." Once LDOL's fund became operational, there was no longer a need for LDED to fund projects for incumbent workers of Louisiana businesses who had been in the state for three or more years. The only overlapping that can exist today would be

for a business that had been in the state for three or more years and wanted to expand. In such instances, the two departments collaborate extensively to avoid such.

Finally, the audit criticizes LDOL for awarding grants to both Bollinger Shipyards and Bollinger Marine. As stated earlier, LDOL generates the IWTP dollars from SUTA taxes. Each employer pays SUTA taxes on the first \$7,000 that it pays in wages each calendar year to each of its employees. In addition, each employer's tax rate will differ based on his experience with the system. There is no "sharing" or "multi-company advantage" for related companies.

Bollinger Shipyards and Bollinger Marine are different employers for purposes of collection of SUTA. Bollinger Shipyards and Bollinger Marine have separate tax ID numbers and separate experience ratings. In other words, it is entirely possible that an individual could transfer from one company to the other or work concurrently for Bollinger Shipyards and Bollinger Marine during the calendar year. In such an event, each company would still pay SUTA on the first \$7,000 in wages (at the company's established tax rate) that each company paid the individual. The fact that the two companies are related has no bearing on SUTA tax liability.

By contrast, some Louisiana businesses have one employer account for purposes of SUTA, but have multiple locations. In such instances, an individual could work concurrently at two locations or transfer from one location to another during a calendar year and the employer would only pay SUTA tax on the first \$7,000 the employee earned in wages regardless of the location where the wages were earned.

Consistent with the funding mechanism, each employer is considered separately for purposes of grant application and contracting. The only prohibition on related companies is that a related company may not be selected by the employer as the training provider.

I would also like to stress that, by law, the dollars of the grant flow directly to the training provider. In this instance, the two employers selected different training providers. Bollinger Shipyards selected Louisiana Technical College – Lafourche campus in Houma as its training provider. Bollinger Marine selected Young Memorial Technical College in Morgan City as its training provider. As part of each grant, the employers agreed to increase the wages of their trained employees and create jobs. In other words, the direct beneficiaries of the grants are the employees who receive pay increases upon the upgrading of their skills and the training providers who directly receive the grant dollars.

There is no doubt that Louisiana businesses will benefit from the increased skills, productivity and efficiency of their labor force. The Department is also hopeful that the "marriage" between education and business as a result of these grants will lead to more worthwhile training for Louisiana's citizens and a greater relationship between the business community, the education community and the labor force.

If you have any questions regarding the responses to the performance audit report, please call Dawn Romero Watson, Deputy Secretary, at 342-7837.

Cordially,



Gary Forster  
Secretary of Labor

Response of the  
Department of Public Safety  
(Public Safety Services)

(See Chapters 7, 8, 10, and 11.)



# Department of Public Safety and Corrections

## Public Safety Services

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

NANCY VAN NORTWICK  
UNDERSECRETARY

March 16, 2000  
DPS-02-159

Dr. Daniel G. Kyle, CPA, CPE  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Reference is made to your letter of March 3, 2000 requiring comments to the draft of the performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments. Thank you for extending our response deadline to 3-16-00.

Attached is our Department's response. If you require any additional information, please feel free to contact Jill Boudreaux at 925-6032.

Sincerely,

Nancy Van Nortwick  
Undersecretary

NVN:dhl

Attachments

## Chapter 7: Supplemental Pay to Local Public Safety Personnel

### Recommendation:

- 7.1 The Department of Treasury and the Department of Public Safety should implement policies requiring that parishes and municipalities include current job title/assignment on supplemental pay documentation. This new policy would help ensure that state dollars are being given to the proper personnel.

### Department Response:

The staff of the Supplemental Pay Unit will immediately begin re-design of the warrants completed and submitted to this agency on a monthly basis. This re-design will include a column in which the current job title/assignment will be noted. Payment will not be made unless this column is filed out.

## Chapter 8: Criminal Investigations

### Recommendations:

- 8.1 Both the Attorney General's Office and Department of Public Safety, Office of State Police should work together to develop a formal, structured system of communication. A system should strive to eliminate duplication of effort and improve efficiency and effectiveness of criminal investigations.

### Department Response:

The Bureau of Investigation reviewed the preliminary draft concerning the review of State Police Criminal Investigations as compared to the state Attorney General's office, and find little argument with the facts as stated, however, question the conclusions drawn from those facts. As stated in the draft, both the State Police and the Attorney General do have the authority to investigate criminal acts. This fact, however, does not imply that there is duplication of effort as to an individual act. All law enforcement agencies, federal, state and local have the authority to investigate criminal activity.

As to the potential for duplication of effort regarding an individual act, the report highlights one supposed incident where this may have happened and in that particular incident the attorney general's office yielded to the state police. It is quite common that different organizations may develop information from a variety of sources relating to a particular act. The State Police Bureau of Investigation is a member of numerous federal, state and local task forces, enforcement committees and other organizations where information related to specific criminal acts or general criminal organizations is shared. From these meetings a coordinated investigation is launched utilizing the abilities of everyone involved. The State Police through its Investigative Support Section, also serves as a repository for criminal intelligence and information which is disseminated at local, state, and national levels.

The recommendation that legislation be enacted assigning investigative responsibility by some preset protocol to an individual agency shows a complete lack of understanding of the complexities of criminal investigations. Some of the more infamous crimes in our country have been solved as a result of a simple traffic investigation. To "hand off" an investigation as it builds from nonviolent misdemeanor to violent felony would be totally ineffective.

As to a formal exchange of information between the two agencies, the State Police certainly has no objection to working with any law enforcement entity. We would invite the attorney general's office to become an active participant in our task forces and participate in the information sharing coordinated through the Investigative Support Section.

Although provided to the audit staff, the preliminary draft does not refer to the amount of activity generated by the State Police. State Police Criminal Investigations has a total of 169 investigators in 10 offices across the state. These investigators are assigned to either the Detective Section, Narcotics Section, or Criminal Intelligence Unit and investigate a wide array of crime. The 154 investigators assigned to Detectives and Narcotics conducted 1,180 investigations and made 1,485 arrests in calendar year 1999. The Criminal Intelligence Unit, which collects information on individual criminals, criminal organizations and crime trends, documented 715 incidents related to criminal intelligence information in 1999. Within each section are a few specialized units that do focus on a particular type of crime. For example, the vehicle theft unit within the Detective Section, as a result of its focus on vehicle theft related crimes, recovered 312 stolen vehicles with a total value of \$3,681,836.85. However, those specialized units are not restricted in their investigation of other crimes.

#### Chapter 10: Commercial Vehicle Inspections

##### MOTOR CARRIER SAFETY

**Assertion:** The report gives emphasis regarding the duplication of inspection efforts between the Department of Public Safety's Motor Carrier Safety Assistance Program and Weights and Standards Units and the Public Service Commission, and the cost effectiveness of combining operations into a single faction.

**Response:** What the report fails to provide is the cost prohibitiveness regarding the dollars spent to train Motor Carrier Troopers and D.P.S. officers in the enforcement of MCSAP regulations. The sheer complexity of these regulations requires in-depth application and training. Also, the report fails to differentiate between processes of inspecting paperwork versus the safety checks performed by Motor Carrier Troopers. This leads a reader to believe these functions are easily transferable. It is suggested that Motor Carrier Troopers and D.P.S. officers could more easily assume the limited responsibilities of the Public Service Commission with regards to this issue.

**Assertion:** The report refers to a duplication of effort between the Motor Carrier Safety Unit and the Weights and Standards Mobile Police force.

**Response:** Weights and Standards officers along with Troop assigned personnel have been trained to augment the currently understaffed Motor Carrier Safety Unit. With a primary focus on reducing the number of CMV-related crashes, this duplication of effort is warranted and self-designed. This arrangement has no negative fiscal impact on the state.

**Assertion:** The report indicates that one of the primary functions of the Weights and Standards Mobile Police force is the enforcement of Motor Carrier Safety regulation.

**Response:** This statement appears inaccurate. Weights and Standards officers are trained to enforce MCSAP regulations to heighten effectiveness in reducing commercial vehicle crashes. The aim in educating and training Weights and Standards officers to enforcement MCSAP regulations is a two-fold process. First, it maximizes these officer's service to the state, and secondly, it provides an additional complement of MCSAP inspectors to meet our primary Strategic Planning Objective of reducing commercial vehicle crashes by 5% by 2002.

#### TOWING AND RECOVERY

**Assertion:** The report reflects a duplication of effort regarding the enforcement of Towing and Recovery regulations. There recommendation is to consolidate the functions under a single authority.

**Response:** We agree that the duplication of regulatory functions between the Department and the Public Service Commission is cost prohibitive to the state. Also, such an arrangement has the potential to lessen each department's ability of effectively regulate this industry. The Towing and Recovery Professionals of Louisiana was instrumental in changing the law to include Public Service Commission involvement. We concur with Legislative Auditor's recommendation giving full regulatory authority and responsibility back to the Department.

## Chapter 11: Hazardous Materials Handling

### Recommendations

- 11.1 The Department of Public Safety's Right-to-Know Unit and the Department of Environmental Quality should work together to combine their data collection functions through computer interfacing. For example, Environmental Quality's Office of Environmental Services could collect the inventory data needed by the Right-to-Know Unit during the permitting process. This action would eliminate the need for the Right-to-Know Unit to collect and input inventory data from facilities each year.

### Department's Response:

The LADEQ collects data on the storage, generation and disposal of **hazardous wastes** not regulated hazardous materials. Hazardous materials are usable products which are present in over 13,000 facilities throughout the state of Louisiana. The LADEQ's permitting process does not collect inventory information for usable hazardous materials which are non-hazardous wastes. The goal of the LSP is the protection of public safety, whereas the goal of the LADEQ is the protection of the environment. The programs standard and prospective are entirely different. The mandate to collect this information is driven by both federal and state laws as it relates to emergency response to chemical emergencies and the preparedness of state and local government. The inherent purpose of the data collected is driven by the separate legislative regulatory mandates for each agency. The LADEQ has in fact received the tier two inventory data from the LSP on several occasions by contract with LSU , Environmental Studies, Dr. John Pine. As the Legislative Auditor's comments state LADEQ prefers to use its data from the permitting process simply because the data is specific to hazardous waste facilities *not* hazardous materials facilities. The LADEQ has been contacted in the past but indicated that their data format was different however, the LSP's, Right-to-Know Unit, was designed for easy access by the LADEQ via the Internet. In fact, the data system has been designed to avoid the overlap of reporting tier two inventory information separately to local fire departments, local emergency planning committees and the LSP. The information collected by the LSP is distributed over the LSP's Louisiana Chemical Network Internet system to all parties requiring reporting. The enabling legislation for the Right-to-Know Unit specifically avoids duplication in inventory reporting for all hazardous wastes and facilities in compliance with LADEQ's LUST program. The database development was conducted with the regulated industry in mind. The current Right-to-Know legislation is a product of the department's interaction with the regulated industry, trade associations and representatives in a concerted effort to relieve the burden on business industry. The reporting of hazardous materials inventories is an essential element of the mission of the Office of State Police to ensure adequate public safety protection. Every effort has been made to avoid program duplication however, in order to have a seamless mandate in regulating both hazardous wastes and hazardous materials facilities what appears to be duplication is in fact an efficient and effective process. The monies expended on the collection and distribution of hazardous materials inventory information have been focused on creating an efficient process which can be shared by all government agencies. No other state agency has created a accessible Internet database for the purpose of hazardous materials emergency preparedness to be shared with all local governments and state agencies.

Response of the  
Louisiana Public Service Commission

(See Chapter 10.)



*Louisiana Public Service Commission*

POST OFFICE BOX 91154  
BATON ROUGE, LOUISIANA 70821-9154

COMMISSIONERS

Irma Muse Dixon, Chairman  
District III  
Jimmy Field, Vice Chairman  
District II  
Don L. Owen  
District V  
C. Dale Sittig  
District IV  
Jack A. "Jay" Blossman  
District I

Telephone:

March 15, 2000

LAWRENCE C. ST. BLANC  
Secretary

(MRS.) VON M. MEADOR  
Deputy Undersecretary

EVE KAHAO GONZALEZ  
General Counsel

Daniel G. Kyle, PH.D, CPA, CFE  
Legislative Auditor  
Office of the Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This office has received your letter along with a draft of your performance audit on the analysis of overlap, duplication, and fragmentation among executive branch departments.

We have found your report to be very interesting and have presented our comments on the attached pages.

This Commission stands ready and is prepared to assist with any recommendations made by your staff that become law. Certainly, you can see from your findings that our organization has contributed very much in the way of revenue to the General Fund; and in our opinion, we anticipate this contribution to continue to rise.

If this Commission can assist you further, please contact us.

Yours truly,

A handwritten signature in black ink, appearing to read "Lawrence C. St. Blanc", with a long horizontal flourish extending to the right.

Lawrence C. St. Blanc  
Secretary

# **Chapter 10: Commercial Vehicle Inspections**

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## **Chapter Conclusions**

&

### **Four State Entities Inspect Commercial**

The Louisiana Department of Transportation and Development, Stationary Weights and Standards Police also inspect commercial vehicles. They operate out of the fixed weigh scales and also review many of the same documents as the four state entities mentioned. Why were they not included in this comparison? Even though all the entities review some of the same documents the programs/statuses being enforced vary.

The Louisiana Public Service Commission (LPSC) officers not only enforce compliance with the Single State Registration System they also enforce compliance with the laws governing intrastate transportation for-hire, interstate exempt carriers and public utilities. These areas of regulation by the LPSC are Constitutionally mandated.

## **Exhibit 10-1**

### **Comparison of Motor Carrier Vehicle Inspection Functions**

#### **Documents Examined During Inspections**

#### **Public Service Commission**

Federal DOT Operating Authority  
Name and Address on Vehicle  
Identification Stamp (Authorization  
Stamp?) (Intrastate carriers including  
wreckers and Interstate Exempt  
carriers)

The above is corrected information for the field shown.

## Exhibit 10-2

### Motor Carrier Legislation

#### Public Service Commission

#### Authority

The Commission is mandated by the Louisiana Constitution to regulate common carriers and public utilities. Article IV, Section 21 of the Constitution vest the Commission with plenary regulatory power over such entities and gives the Commission such other powers and duties as provided by law. In conjunction with this mandate, the Commission has statutory authority and guidelines which it follows in the regulation of these carriers, i.e. L.R.S. 161 through 194.

While some of the same documents are reviewed, the goals to be accomplished are not the same. While public safety is an important aspect it is not the primary goal of the Louisiana Public Service Commission (LPSC). The LPSC is an independent regulatory agency originally created under the 1921 Constitution of Louisiana to regulate common carriers and utilities and to fix reasonable and just rates, fares, tolls, or charges for services rendered by such common carriers or public utilities.

The Single State Registration System is a means to verify the carrier has the proper operating authority from the federal government and also the financial responsibility to operate in our state. This is certainly a safety element for the citizens of Louisiana. The LPSC monitors the financial insurance filings of each interstate carrier operating into Louisiana. Insurance companies are required to file proof of coverage with the LPSC and are further required to file a notice of cancellation thirty (30) days prior to such cancellation. This requirement gives the LPSC time to notify the carrier that he must maintain insurance coverage in order to operate in Louisiana or absence a new insurance filing to take revocation action for the carriers authority to operate.

No other state agency is charged with or monitors the financial responsibility of motor carriers under a program such as the Single State Registration System in Louisiana. This certainly affords Louisiana citizens protection from large commercial vehicles operating without the proper insurance.

The LPSC administrative cost (expenditures) of \$727,074 versus the revenue generated \$6,172,106 demonstrates a very efficient and cost effective operation. The number of Inspectors (18) versus the number of annual inspections (45,000) indicates the high productivity of the Public Service Commission officers.

**Two Entities Regulate the Towing and Recovery Industry**

The areas of responsibility between the LPSC and the Louisiana State Police Towing and Recovery Unit in the regulation of the towing and recovery industry are very different. Due to the many complaints from the citizens of the State about price gouging by the towing industry the Legislature placed the regulation of the towing and storage rates within the Public Service Commission's area of responsibility. Whereas, the State Police Towing and Recovery Unit is concerned with the presence and proper use of safety equipment and the safe operations of the vehicles and facilities they do not regulate what the wrecker service can charge. It is anticipated that the PSC Enforcement Officers will inspect very few tow trucks through roadside inspections. The majority of tows take place within municipalities and therefore do not enter the weigh scales. The PSC Enforcement Officers will mostly conduct investigations of citizens complaints of overcharging. The PSC has worked very closely with the Louisiana State Police Towing and Recovery Unit and through a cooperative agreement, the Louisiana State Police will check the PSC Identification stamps at the wreck/tow scene as part of their routine check to be sure the wrecker has all the required authorities.

Response of the  
Sabine River Authority

(See Chapter 13.)



LOUISIANA

LINDA CURTIS-SPARKS

Executive Director

# Sabine River Authority

RECEIVED  
LEGISLATIVE AUDITOR

00 MAR 20 AM 10: 14



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

**Barton Rumsey**  
PROJECT ENGINEER  
59839 Hwy. 191  
Anacoco, LA 71403

March 17, 2000

Mr. Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor  
Office of the Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle:

In accordance with instructions contained in letter dated March 3, 2000, from Mr. David K. Greer concerning the draft of performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments, the following comments are offered pertaining to the audit issue area of recreational areas (Chapter 13):

Sabine River Authority's enabling legislation R.S. 38:2321 through 2336 empowers SRA to provide public recreation, and in partnership with the Sabine River Authority of Texas (50-50) owns and operates the Toledo Bend Reservoir, a 186,000 acre reservoir, licensed to be built and operated by the Federal Energy Regulatory Commission. One condition of the license mandates that we provide public recreation through a FERC approved "Recreation Plan" for Toledo Bend Reservoir. In the opinion of SRA Staff another agency or department of the State of Louisiana could provide the mandated public recreation; however, the Sabine River Authority will not be absolved from its responsibility by the Federal Energy Regulatory Commission as long as the license is in effect to allow the production of hydroelectric power.

Should additional information and or discussion be necessary, please advise.

Sincerely,

LINDA CURTIS-SPARKS  
EXECUTIVE DIRECTOR

MHG

Response of the  
Department of Social Services

(See Chapters 2, 4, and 5.)



**State of Louisiana**  
**Department of Social Services**  
**OFFICE OF THE SECRETARY**

755 THIRD STREET 2ND FLOOR  
P.O. BOX 3776  
PHONE - 225/342-0286 FAX 225/342-8636  
BATON ROUGE, LOUISIANA 70821

RECEIVED  
LEGISLATIVE AUDITOR  
00 MAR 24 AM 9:28

**M. J. "MIKE" FOSTER, JR.**  
GOVERNOR

**J. RENE AUSTIN-DUFFIN**  
SECRETARY

March 22, 2000

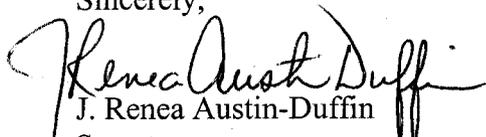
Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Enclosed is the Department of Social Services' revised comments regarding the draft audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments. The comments were revised based on your office's revisions to the draft audit which only affected the comments of the Office of Family Support.

If you should have need for further information concerning this matter, please do not hesitate to contact me.

Sincerely,

  
J. Renea Austin-Duffin  
Secretary

JRAD:DHL

Enclosure

## Performance Audit Comments

1) Page 14 2<sup>nd</sup> Paragraph is still not considered as accurate even with the modifications. We believe the paragraph should read as follows:

Welfare recipients are eligible to participate in Welfare-to-Work if they have received cash assistance for at least 30 months, or if they are within 12 months of becoming ineligible for cash assistance. When a welfare recipients becomes eligible for Welfare-to-Work, he/she is referred to the program by a Social Service caseworker. Welfare-to-Work services are available to welfare recipients, ex-welfare recipients, and the non-custodial parents of welfare recipients as long as funds are available. Training and support services are offered through public and private providers.

2) Page 15 1st paragraph even with the modifications is still considered to be misleading. The paragraph should read as follows:

Based on information obtained from department officials, we determined that the program services provided by Social Services and Labor for welfare recipients are not overlapping. Although services are provided at different time periods by the two departments they are not duplicated for each recipient. Both provide job training, placement, and support services (e.g. child care, transportation, tools, uniforms) to welfare recipients.

3) Page 15 4th paragraph as reflected in the second draft is still not considered accurate. The report should read as follows: "Because the administration of job training services to welfare recipients is split between two separate departments, the following problems are occurring:

Operational Inefficiency: One case manager from each department must become familiar with the same client. This occurs only when there is a referral. However, the Social Service Case Managers are not limited to providing services to just one program. They also handle FITAP and Food Stamp eligibility determinations and other services.

Disruption of services: “The client must access the same services from two entities during different time periods.” This is not correct. It can happen however, services are usually coordinated so the client can simultaneously participate in Welfare-to-work and FIND Work activities.

Increased Administrative Cost: The report states Welfare-to-Work and FIND Work use many of the same providers and are issuing payments to the same providers for the same services. This is very misleading in that utilization of the same provider may occur, but not at the same time and not likely for the same client. The Welfare-to-Work services are supposed to be designed to supplement/enhance FIND Work services and are accessed after employment is obtained. This usually occurs after expiration of the time limits with a focus on job retention.

4. Page 15 5<sup>th</sup> paragraph, we have no comments/objections to the modification as reflected.

#### Teen Pregnancy Performance Audit

(Paragraph 2) We have no comments/objections to the modifications as reflected.

Response of the  
Department of State

(See Chapter 14.)

Secretary of State  
State of Louisiana

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00 MAR 14 AM 9:13

W. FOX MCKEITHEN  
SECRETARY OF STATE



P. O. Box 94125  
BATON ROUGE, LOUISIANA 70804-9125  
(504) 342-4479

March 9, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Office of the Legislative Auditor  
P.O. Box 94397  
Baton Rouge, Louisiana 70804

Dear Dr. Kyle:

This is to acknowledge receipt of your preliminary audit report identifying possible savings that could be realized via the consolidation of museum systems currently operated by the Department of State and the Office of the State Museum.

I concur with your finding that the centralized management of these two systems would translate into a more efficient use of state resources. Accordingly, I feel the most prudential solution to this matter would be the consolidation of all museums under the auspices of the Department of State. Your preliminary audit notes the Department of State spent about \$1,300,000.00 to manage six museums whereas the Office of the State Museum expended approximately \$4,600,000.00 to operate eleven such facilities. This shows the Department of State has operated its museum system in a more cost efficient manner than its counterpart. I surmise the cost per patron factor for our museums is also markedly lower as well.

Officials with the Department of Culture, Recreation, and Tourism admit the inclusion within its system of museums not accredited by the American Association of Museums would be cost prohibitive. Conversely, the Department of State is not encumbered by these accreditation restrictions, thus it could absorb those museums currently managed by the Office of the State Museum with its existing appropriation and staff. This in turn would satisfy those recommendations enumerated in your report.

The consolidation of all museums within the Department of State should not be construed as a personal denigration of the importance of museum accreditation. I believe all museums should be cognizant of those professional standards advocated by the American Association of Museums. On the other hand, nor do I believe accreditation should be a deterrent in our efforts to honor our mission statement. We will be working closely with the American Association of Museums in the future to secure accreditation for each of our museums. However, until such

accreditation is obtained, the Department of State will continue building upon the success of its museum program.

Your audit report also noted the State Museum system presently consists of eleven museum properties. I understand ten of these museums are located in metropolitan New Orleans and the other, the Wedell-Williams Aviation Museum is domiciled in Patterson. I feel this in itself establishes a good argument for the Department of State being the sole proprietor for the state's museum system. I have always felt the State Museum suffered from a New Orleans mentality. This was evident several years ago when the State Legislature transferred management of the Old State Capitol from the State Museum to the Department of State. Prior to its transfer, the Old State Capitol suffered the indignation of neglect, but it has since been restored to its rightful status as one of Louisiana's true historical treasures. It is today one of our state's more popular tourist destinations.

The same is true for the Louisiana State Exhibit Museum in Shreveport. Long isolated from New Orleans, this museum, in the opinion of one of its supporters, had become nothing more than a "stepchild" in the State Museum family of museums. This sentiment was shared by many in the central and northern regions of the state. Supporters of the museum, frustrated that the facility was not being properly funded or staffed, lobbied the State Legislature to place the museum under the Department of State. The museum has since been renovated and once again has established itself as one of north Louisiana's premier museum facilities. This was evidenced last year when she hosted more than 100,000 visitors.

The Department of State's success in managing its museums was primarily responsible for the transfer of the E. D. White Historic Site to the agency. The former home of a Louisiana governor and a Chief Justice of the United States Supreme Court was in a state of disrepair when received by the Department of State. It has since been placed on the National Register of Historic Places and it is currently being restored after many years of inattention.

The success of the Louisiana State Cotton Museum in Lake Providence and the Caddo-Pine Island Oil Museum in Oil City are further success stories emanating from the Department of State's museum system. New exhibit pavilions and other attractions will soon be dedicated at each museum. Each will undoubtedly have a positive impact upon the respective economies of their areas. Would they have enjoyed this level of recognition and success had they not been members of our museum family? Unfortunately, I think not.

I hope the aforementioned comments will assist you in formulating your recommendations. Louisiana enjoys one of the richest and more unique heritages of the fifty United States, and our museums, both large and small, urban and rural, exist to preserve the objects of our history.

The public has affirmed our efforts as evidenced by the more than 200,000 visitors to our six museums last year. We predict this number will increase significantly in the future with the anticipated expansion of the Caddo-Pine Island Oil Museum, the E. D. White Historic Site, the Louisiana State Cotton Museum, and the introduction of new programs at the Old State Capitol

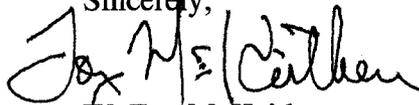
and the Louisiana State Exhibit Museum. All in all, I think it is going to be an exciting future for the Department of State's museum system.

In closing, I would be remiss if I did not mention the recognition received by some of our museums. The Old State Capitol, for example, has been recognized nationally for its restoration efforts, and it won a prestigious award from a national museum organization for its innovative Louisiana Purchase exhibit. The E. D. White Historic Site was the subject recently of an educational television program that aired nationally. Finally, the Louisiana State Archives, though not a museum, nevertheless sponsors exhibits and art shows throughout the year. Its efforts did not go unnoticed by Louisiana Life which cited it as one of Louisiana's "hidden gems" in recognition of its exhibit program.

Needless to say, I am most proud of the Department of State's museum program.

I appreciate the opportunity to respond to your audit report, and please do not hesitate to call upon me again if I can be of further assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Fox McKeithen". The signature is written in a cursive style with a vertical line through the middle of the name.

W. Fox McKeithen  
Secretary of State

Response of the  
Louisiana State Racing Commission

(See Chapter 9.)

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

ALBERT M. STALL  
CHAIRMAN

PAYTON R. COVINGTON  
FIRST VICE CHAIRMAN

A J. GOUBLER  
SECOND VICE CHAIRMAN



## LOUISIANA STATE RACING COMMISSION

### COMMISSIONERS

J. D. BLONDIN  
AUBREY LAPLACE  
JON R. MCKINNIE  
JERRY MEALIX  
KENNETH "KENU" ROMERO  
OSCAR J. TOLMAS

CHARLES A. GARDINER III  
EXECUTIVE DIRECTOR

KIM CHATELAIN  
ASSISTANT ATTORNEY GENERAL

March 24, 2000

Daniel G. Kyle, PHD, CPA, CFE  
Legislative Auditor  
Office of the Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

In reference to your letter of March 3, 2000, addressed to former Executive Director Paul Burgess, the Racing Commission wishes to respond to the results of your performance audit "draft" as it relates to Chapter 9: Gaming Regulation.

Unfortunately, no one from the Legislative Auditor's Office met with the Racing Commission staff to discuss your analysis of duplicated, overlapping and/or fragmented functions within the various departments listed in your audit. Therefore, we respectfully ask that you consider the following comments regarding the unique nature of the regulatory function of the Louisiana State Racing Commission.

While it may appear that two or more agencies perform partially the same activities (regulatory functions, e.g., licensing, creating policy) leading to the accomplishment of the same goal, the Racing Commission is quite unique. The regulation of horse racing requires specialized training and specific knowledge of the horse racing industry. It involves a multitude of licensed participants, totaling more than 10,000 applicants per year. Each license application must be verified through Racing Commissioner's International, using a racing history database for eligibility.

Before a trainer can be licensed, he or she must pass a rigorous examination which tests the applicant's knowledge of the rules and regulations of the Racing Commission. Additionally, the applicant must pass a practical examination involving the handling of a thoroughbred. Similarly, several other license types require pertinent testing as well. Although the beer server at a racetrack can be licensed in a manner not unlike the beer server at a casino, any like functions and characteristics regarding similarity in licensing ends here.

Additionally, our staff must (1) verify that the trainer has workers' compensation insurance; (2) ensure horse registration documentation is on file with the Racing Secretary's Office; and (3) receive the trainer's work list of employees prior to issuing a license to a trainer. Samples of racing

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# LOUISIANA STATE RACING COMMISSION

Dr. Daniel G. Kyle  
March 24, 2000  
Page 2

licenses include: test barn veterinarians, paddock veterinarians, equine specimen collectors, state stewards, paddock judges, clockers, blacksmiths, equine dentists, grooms, owners, trainers, etc., each having their own distinct qualifications. Additionally, licensees are also subject to daily alcohol testing and random drug testing.

For further details regarding the specific and unique nature of racing, please refer to the enclosed copy of the Louisiana Rules of Racing. Some areas in the rule book you may find pertinent are: registration and accreditation, Louisiana breeder awards, health rules, permitted medication, racing related corrupt and prohibited practices, licensing, racing procedures, etc.

Out of the 624 full-time equivalent state positions engaged in gaming functions, the Racing Commission has only 78 positions. This is an average of 15 positions per location, covering four race tracks (office staff & test barn staff per track) and one domicile office. Race track employees are unclassified/seasonal and are generally at a lower pay level than most classified employees. Note, a Racing Regulations Unit along with an Audit Section is included in the 78 positions. The Racing Commission operates efficiently with a moderate sized staff on self-generated funds and carefully uses its appropriated budget. The Racing Commission usually provides an annual surplus for the general fund. If personnel were consolidated, no savings would be realized. The Racing Commission must continue to provide its services with the same number of employees on and off track at the same cost to properly regulate the sport.

The Racing Commission has nine board members, not ten as listed on the audit. While it is correct that the Racing Commission is budgeted \$20,000 per year for board members per diem, the actual expenditure for FY 98/99 was only \$2,300. Our board members (commissioners) only receive \$50.00 per diem (per hearing and/or committee meeting) and travel reimbursement. In FY 98/99 in-state board member travel was \$9,211 and out-of-state board member travel was \$7,923. Our commissioners are appointed by the Governor, and are experienced in horse racing operations. Consolidation would certainly affect the expertise, knowledge and racing experience necessary to properly and adequately regulate the sport. Our commissioners are prominent businessmen who serve mostly in the interest of the sport, rather than to earn a living.

Using Nevada's gaming oversight structure as a model is an unfair comparison as far as racing is concerned. It is correct that the Nevada Gaming Control Board regulates racing in Nevada. However, racing is extremely limited in that state and consists of three short "fair" race meetings, two of which are conducted over a period of one weekend. The other "fair" meet runs every weekend for one month only. Nevada has approximately 20 race days per year compared to 342 race days in Louisiana. Of the aforementioned "fair" meetings, one is dedicated to the running of mules. Additionally, Nevada casinos, which accept wagers on horse races conducted around the country, refuse to accept wagers on their own state's races due to the extremely limited level and class of horse racing in that state.

# LOUISIANA STATE RACING COMMISSION

Dr. Daniel G. Kyle  
March 24, 2000  
Page 3

Horse racing is not simply another form of gaming. It is a regulated sport involving a multitude of varied participants, each with their own unique qualifications, responsibilities, and functions. Further, regulation of horse racing necessarily involves the regulation of animals, a facet not common to other forms of gaming. Additionally, the Louisiana Racing Commission regulates off-track wagering and, should pending legislation pass, will regulate account or phone wagering.

The Gaming Regulations Structure (Exhibit 9-3) relating to Racing is inaccurate. Due to a lack of funding, the State Police Racing Investigations Unit was abolished and in 1997 the Racing Commission formed its own Racing Regulations Unit. Actual expenditures for our unit in FY 98/99 were \$72,863 for salaries and related benefits, travel and criminal history reports as compared to \$250,000 in FY 95/96. This was a significant savings to the state. For overall savings, see the attached History of Revenues and Expenditures from 1985 through 1996 for the State Police Racing Investigations Unit. The industry we effectively regulate continues to improve even with strong competition, resulting in an economic benefit to the state.

We appreciate the opportunity to respond to your audit and ask that you reconsider your recommendation of consolidating gaming in the state. We must remember, the Racing Commission provides the state with thousands of jobs and thus helps economic prosperity. The industry the Commission is charged to regulate is surviving in spite of strong competition and a changing technological environment. We believe that consolidation in our situation would be unproductive and not efficient given the specialized requirements necessary to regulate and promote the horse racing and breeding industry in Louisiana.

If you have any questions, or if I may provide you with any additional information, please feel free to give me a call.

Sincerely,



Charles A. Gardiner III  
Executive Director

CAG/sp

cc: All Commissioners

Response of the  
Department of the Treasury

(See Chapter 7.)



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TREASURER OF THE STATE OF LOUISIANA 00 MAR 24 AM 9:43

John Neely Kennedy  
Treasurer

P. O. Box 44154  
Baton Rouge, LA 70804  
(225) 342-0010

March 9, 2000

Honorable Daniel G. Kyle, PH.D, CPA, CFE  
Office of the Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

I am writing in response to your completed performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments.

The Board of Review for Deputy Sheriffs' Supplemental Pay issued a Sheriffs' Guide to Departmental Policies and Statutory Specifications for the Administration of the Supplemental Pay Program ("Guide") in 1994. This Guide, which is periodically updated, provides Sheriffs the eligibility requirements for receipt of supplemental pay. The eligibility requirements provide a definition of eligible duties/assignments and examples of non-eligible duties/assignments.

Each month, sheriffs submit an invoice which lists deputy sheriffs eligible for supplemental pay. This invoice is certified as correct by the sheriff and notarized. When a new deputy is added to an invoice, the sheriff is required to attach to the invoice a completed Employment Information Form. This form provides the Board of Review information to determine eligibility of the deputy sheriff for supplemental pay.

The addition of deputies' present duties/assignments to the monthly invoice will provide additional documentation of eligibility of deputies for supplemental pay. Current staffing patterns in the Department of Treasury will not permit complete review and certification of the additional information. However, a sample audit could be performed.

Lastly, we would recommend further study of the proposal to transfer supplemental pay for deputy sheriffs from the Department of Treasury to the Department of Public of Safety.

Sincerely,

Ron J. Henson  
First Assistant State Treasurer

JNK:gkh:rbh

Response of the  
Department of Wildlife and Fisheries

(See Chapters 12 and 13.)

# State of Louisiana



James H. Jenkins, Jr.  
Secretary

Department of Wildlife & Fisheries  
2415 Darnall Road  
New Iberia, LA 70560  
(337)373-0032

M.J. "Mike" Foster, Jr.  
Governor

March 21, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

This letter is in response to your draft performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments. To Mr. Greer's letter, dated March 3, 2000, Chapter 12: Marketing Louisiana- Grown Products was attached.

Page 88 of your draft report briefly describes a few of the legislative mandates of the Louisiana Fur and Alligator Advisory Council (FAAC). The word "Resources" should read "Advisory". First, FAAC works with two major resources, the state's fur resource and the state's alligator resource. No other state board or council is involved with education of the general public related to the role of these resources in wildlife and wetland conservation. No other state board or council carries out promotion and marketing of the state's fur resource. Therefore FAAC has no overlap or duplication with any other state board, council, or department concerning marketing and public education related to the La. fur resource.

FAAC has no overlap or duplication with the Seafood Marketing Board. Since the Department of Agriculture and Forestry does participate in some leather fairs there may appear to be overlap or duplication. However, a closer look at the

projects of FAAC should demonstrate that our activities at leather fairs have always been generic with the goal of educating the entire trade, including dealers, tanners, manufacturers, and retailers about problems, solutions, and successes of the industry. The Department of Agriculture and Forestry rents booth space and provides this space at reduced cost to Louisiana alligator skin dealers and farmers attending the fair to offer their skins for sale. **These activities are very different.** FAAC is working to improve the knowledge of and involvement of more manufacturers using alligator and retailers carrying alligator products. FAAC provides the industry with Point-of-Sale booklets that are designed to educate retail sales personnel so that they can assure potential consumers that alligator is a legal, sustainable, and environmentally sound product that actually benefits wetland conservation. FAAC spent \$ 195,959 related to alligator promotion, marketing, conservation, and education during the 1998-99 fiscal year. Other alligator related projects not mentioned in your report and not carried out by any other board, council, or department are listed below.

- 1- **International Alligator Crocodilian Trade Study-** This report compiles international data on the entire industry used to evaluate industry problems, formulate solutions, demonstrate legality, and sustainability and environmental soundness of the harvest. The contractor conducting this service also represents the department at national and international meetings related to conservation and regulation of the industry, including meetings of the conference of the parties to the Convention on International Trade in Endangered Species.
- 2- **FAAC participated in other leather fairs,** including Magic in Las Vegas and ANPIC in Leon, Mexico.
- 3- **Revision of Point-of-Sale booklets and publication of LeGarto-an annual report to industry on FAAC activities.**
- 4- **Contract with LSU School of Human Ecology-** for alligator leather properties testing, garment design using alligator leather, and a survey of consumer attitudes concerning alligator leather products.
- 5- **Mexico Market Survey-** of manufacturers potentially interested in expanding their boot, shoe, and accessories line using alligator.
- 6- **Education Projects and Displays-** details of these activities can be found in FAAC Annual Report.

On page 91 of your draft report a figure of \$3.9 million was reported as the amount spent on promoting Louisiana Grown Products. However, it is not clear how much of this total is considered to be overlap or duplication. Only two trade

are carefully analyzed and objectives are clearly understood, I believe that you will conclude that overlap and/or duplication of efforts does not occur.

If these comments need further explanation, please contact me and I will be glad to meet with you.

Sincerely,

A handwritten signature in black ink that reads "Greg Linscombe". The signature is written in a cursive style with a large, prominent "G" and "L".

Greg Linscombe

Program Manager

Fur and Alligator Advisory Council

# State of Louisiana



James H. Jenkins, Jr.  
Secretary

Department of Wildlife & Fisheries  
Post Office Box 98000  
Baton Rouge, LA 70898-9000  
(225) 765-2800

M.J. "Mike" Foster, Jr.  
Governor

16 March 2000

Daniel G. Kyle, Phd., CPA, CSE  
Legislative Auditor  
1600 North 3rd Street

Dear Mr. Kyle,

The following comments are in response to the draft performance audit report on the analysis of overlap, duplication, and fragmentation among executive branch departments with regard to Recreation. Specific comments in the letter relate to **Chapter 13: Recreation Areas**.

The initial statement (page 95) says that at least four state agencies are managing recreation areas. The Department of Wildlife and Fisheries primary function is to manage wildlife and their habitats. The areas that have been acquired are established to protect habitat and wildlife with recreation as a secondary benefit to the public.

Page 96 under Department of Wildlife and Fisheries/Office of Wildlife states that we spent \$2.8 million on wildlife management areas. The total expenditure for the wildlife management areas and refuges (also provide recreation other than hunting) was \$5,925,330.

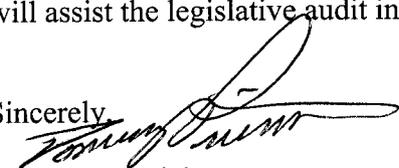
Exhibit 13-1 on page 97 also uses the 2.8 million figure.

Activities and Management of Recreational Areas/Overlap among Agencies on page 97 states that all four agencies provide camping, hiking, and fishing. It goes on to say that only Office of State Parks provides bird watching, boating, and swimming. The Wildlife Management Areas also offer these forms of recreation. Recreational use of the WMA's is 40% hunting (deer, waterfowl, turkey, squirrel, rabbit, dove, and others), 35% fishing, and the remaining 25% is non-consumptive (photography, bird watching, boating, swimming, wildlife and nature study). The last paragraph of page 97 says there are 48 WMA's. We currently have 53 Wildlife Management Areas. As per the information already sent to you we currently have 53 WMA's and 4 Refuges for a total of 1,408,444 acres.

The copy of the draft I received did not permit examination of the maps in exhibit 13-2. To assist I have attached an up to date state map with the WMA's and Refuges depicted thereon.

In closing the Department of Wildlife and Fisheries feels that our Wildlife Management Area Program is one of the best in the nation and unique with respect to other state agencies. We look forward to the final report on overlap of function and will assist the legislative audit in any way possible.

Sincerely,

  
Thomas E. Prickett  
Administrator, Wildlife Division

Response of the  
Louisiana Seafood and Promotion Board

(See Chapter 12.)



## Louisiana Seafood

March 22, 2000

Daniel G. Kyle, PH.D, CPA, CFE  
Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

I am writing this letter in response to Chapter 12: *Marketing Louisiana Products* of the Performance Audit conducted in December of 1999. Unfortunately, I received the results of the audit by mail after the comment period deadline had passed. However, late yesterday afternoon, my secretary received a call from your office stating that the deadline had been extended and all responses were due by noon today.

There are two specific points that need to be addressed for the sake of accuracy. The first is in regard to any overlap between marketing boards that fall under the auspices of the Department of Agriculture and of those that are included under the umbrella of the Department of Wildlife and Fisheries. It is necessary to note that there is no overlap between seafoods that are farmed commodities, otherwise known as aquaculture products, such as farm-raised catfish and crawfish, and wild-caught fisheries of the same species from either fee assessment or strategic marketing standpoints. The markets for the farm-raised and wild-caught products are two entirely different markets; as purchasers of each product are two entirely different consumers. Therefore, strategically it is mandatory that there be two separate marketing programs to appropriately drive sales of each specific and unique commodity.

Additionally, although the legislature passed a resolution allowing all marketing boards to assist in the promotion of fur and alligator due to the unique challenges that those industries face, there is nothing in statute that mandates such overlap. Also, because formerly endangered species are included in that group, the strategy for marketing those products should be, and is, entirely different from anything that any other commodities boards are doing to promote other Louisiana products.

It is also important to note that if someone is a seafood farmer participating in aquaculture practices, those farmers pay into the marketing boards housed in the Department of Agriculture. If someone is a fisherman in the wild-caught trade, that businessman pays into the marketing boards housed in the Department of Wildlife and Fisheries. So, consumers should in no way be incurring increased costs because of multiple fee assessments between aquaculture and wild-caught harvesters, as such fee overlap simply does not exist.

It is important to also clarify the items listed in the trade show table labeled as Exhibit 12-1. When more than one department is represented at the same trade show, it is always by strategic, tactical design for all of the critical reasons I listed above. The Department of Agriculture has a unique approach to trade shows that is very different than the approach the Louisiana Seafood Promotion and Marketing Board takes to that type of promotions activity. Both are targeted and by design. The LSPMB generates and qualifies sales leads for Louisiana industry participants at trade shows to drive sales in such a way that the companies generically represented do not have to incur the costs of attending these functions. Whereas, the Department of Agriculture works directly with specific companies providing the support and tools necessary to bring those companies to trade shows to generate and qualify their own leads, making it

**Louisiana Seafood Promotion & Marketing Board**

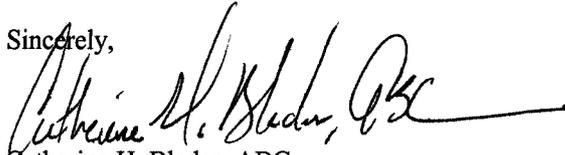
1600 Canal St., Suite 210, New Orleans, LA • (504) 568-5693 in LA • FAX (504) 568-5668 • National Toll Free 1-800-222-4017

economically feasible for those who which to participate personally, to attend. Both approaches are important, appropriate and successful.

Hopefully, this defines the distinction between the marketing boards housed in the Department of Agriculture and the Department of Wildlife and Fisheries. Finally, it is important to note that the LSPMB is responsible for marketing oysters, crabs, fresh water finfish, salt water finfish, shrimp, and wild-caught crawfish and catfish, as well as their Louisiana processors and value added items.

Should you have any questions or require any additional information, please do not hesitate to contact me at 504-568-5693.

Sincerely,

A handwritten signature in black ink, appearing to read "Catherine H. Blades, ABC", with a long horizontal flourish extending to the right.

Catherine H. Blades, ABC

Executive Director

Louisiana Seafood Promotion and Marketing Board

cc: James Jenkins, Secretary, Department of Wildlife and Fisheries  
James Patton, Undersecretary, Department of Wildlife and Fisheries  
John Roussel, Assistant Secretary of Fisheries, Department of Wildlife and Fisheries

No response was received from the  
Department of Education.

(See Chapter 3.)

No response was received from the  
Drug Policy Board.

(See Chapter 3.)

No response was received from the  
Governor's Office of Safe  
and Drug Free Schools  
and Communities.

(See Chapter 3.)

No response was received from the  
Louisiana Gaming Control Board.

(See Chapter 9.)

No response was received from the  
Department of Revenue.

(See Chapter 9.)

No response was received from the  
Louisiana Lottery Corporation.

(See Chapter 9.)